

D.I.S Limited
Financial Statements
31 March 2018



HARPER SHELDON LIMITED
Chartered Accountants & statutory auditor
Midway House
Staverton Technology Park
Herrick Way, Staverton
Cheltenham, Glos.
GL51 6TQ

D.I.S Limited
Financial Statements
Year ended 31 March 2018

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D.I.S Limited

Officers and Professional Advisers

Director

Mr D Bell

Registered office

The Old School House
Leckhampton
Cheltenham
Gloucestershire
GL53 0AX

Auditor

Harper Sheldon Limited
Chartered Accountants & statutory auditor
Midway House
Staverton Technology Park
Herrick Way, Staverton
Cheltenham, Glos.
GL51 6TQ

D.I.S Limited
Strategic Report
Year ended 31 March 2018

BUSINESS REVIEW

CDM Ductwork Ltd Report - Previously DIS Holdings Ltd

DIS Holdings Ltd has been changed to CDM Ductwork Ltd as part of the group re-structure. Any group staff not associated with CDM Ductwork Ltd have been TUPE transferred to DIS Administration Ltd. CDM Ductwork saw an increase in both turnover and net profit compared with the previous financial year. CDM Ductwork continues to operate in the retail, leisure, industrial and commercial markets which remain competitive and demanding. The forward order position for 2018/19 is encouraging however, BREXIT appears to be having an effect on the construction industry, which may affect the trading figures. Turnover has been consistent going from £2.6M to £2.7M. Gross profit has grown from £708K to £809K, the gross profit as a % of turnover has risen from 27.4% to 30.2%. The operating profit has grown from £22K to £234K, the operating profit as a percentage of turnover rising from 0.8% to 8.7%.

DIS Sprinklers Ltd Report - Previously Beaven & Sons Limited

Beaven & Sons Ltd has been changed to DIS Sprinklers Ltd as part of the group re-structure. DIS Sprinklers Ltd continues to grow and saw an increase in both turnover and net profit compared with the previous financial year. The forward order position for 2018/19 is encouraging. Although 2017/2018 has seen a move towards trading conditions similar to pre-recession, BREXIT appears to be having an effect on the industry, which may affect the trading figures. Turnover has decreased from £3.4M to £2.3M. This is due to the discontinuation of the ESB (painting & shotblasting) part of the business at the end of the 2016/17 financial year. Gross profit has decreased from £834K to £530K, for the same reason as above. Gross profit as a percentage of turnover has remained relatively constant going from 24.3% to 23.4%. The operating profit has improved from a loss of (£72K) to a profit of £158K. The operating profit as a percentage of turnover therefore has improved from (2.1%) to 7%.

Design Installation Service Ltd Report

The Company continues to provide design and installation of mechanical building services for the retail, industrial, leisure and commercial markets throughout the UK. 2017/2018 has seen the best trading results for a long time with an increase in turnover from the previous year and the best profit the company has achieved in over 20 years. Lengthy payment terms from main contractors continues to be problematic making careful cash management essential. The forward order book for 2018/19, whilst healthy, is not as good as 2017/2018. Although 2017/2018 has seen a move towards trading conditions similar to pre-recession, BREXIT appears to be having an effect on the industry, which will affect the trading figures. Turnover has grown from £7.5M to £10.1M

Gross profit has grown from £1.1M to £1.7M, the gross profit as a % of turnover has risen from 14.4% to 16.4%. The operating profit has grown from £332K to £661K, the operating profit as a percentage of turnover rising from 4.6% to 6.5%.

DIS Administration Ltd Report

DIS Administration Ltd has been created as part of the company re-structure to employ any member of staff which work for multiple group companies. This company was dormant in the 2017/2018 financial year.

D.I.S Limited

Strategic Report *(continued)*

Year ended 31 March 2018

PRINCIPAL RISKS AND UNCERTANTIES

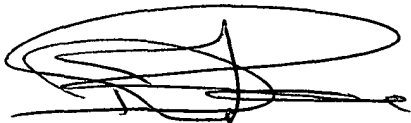
Competition

The group operates in a competitive market which can result in a downward pressure on price / margins together with the risk that the overall quality does not meet with the customers expectations. In order to mitigate this risk, our engineers monitor contract prices and progress of the work on an ongoing basis and our continuing staff training schedule ensures a high standard of service.

Cash flow and credit control

In the context of the economic slowdown, there is the increased risk of both poor cash flow and increased bad debts. The directors meet every quarter to discuss any large or uncertain debts, to monitor and review the risks, and to consider the required approach. A vigorous approach is taken with regard to credit control.

This report was approved by the board of directors on 18 October 2018 and signed on behalf of the board by:



Mr D Bell

Director

Registered office:
The Old School House
Leckhampton
Cheltenham
Gloucestershire
GL53 0AX

D.I.S Limited

Director's Report

Year ended 31 March 2018

The director presents his report and the financial statements of the group for the year ended 31 March 2018.

Directors

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

Mr D Bell	
Mr R Bell	(Retired 6 November 2017)
Mr S Kentfield	(Retired 2 August 2017)
Mr J Kentfield	(Retired 2 August 2017)

Dividends

Particulars of recommended dividends are detailed in note 14 to the financial statements.

Disclosure of information in the strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

D.I.S Limited

Director's Report *(continued)*

Year ended 31 March 2018


Auditor

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

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

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 18 October 2018 and signed on behalf of the board by:



Mr D Bell

Director

Registered office:
The Old School House
Leckhampton
Cheltenham
Gloucestershire
GL53 0AX

D.I.S Limited

Independent Auditor's Report to the Members of D.I.S Limited

Year ended 31 March 2018

Opinion

We have audited the financial statements of D.I.S Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

D.I.S Limited

Independent Auditor's Report to the Members of D.I.S Limited *(continued)*

Year ended 31 March 2018

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 director is 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

D.I.S Limited

Independent Auditor's Report to the Members of D.I.S Limited *(continued)*

Year ended 31 March 2018

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or has 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



James Harper (Senior Statutory Auditor)

For and on behalf of
Harper Sheldon Limited
Chartered Accountants & statutory auditor

Midway House
Staverton Technology Park
Herrick Way, Staverton
Cheltenham, Glos.
GL51 6TQ

18 October 2018

D.I.S Limited

Consolidated Statement of Comprehensive Income

Year ended 31 March 2018

	2018		2017	
	Continuing operations	Discont'd operations	Continuing operations	Discont'd operations
	£	£	£	£
Turnover	Note			
	414,433,313	-	14,433,313	12,181,261
				683,073
				12,864,334
Cost of sales	11,474,437	-	11,474,437	9,920,874
				329,308
				10,250,182
Gross profit	2,958,876	-	2,958,876	2,260,387
				353,765
				2,614,152
Administrative expenses	1,931,240	-	1,931,240	2,108,941
				564,283
				2,673,224
Other operating income	44,696	-	44,696	108,395
				-
				108,395
Operating profit	1,072,332	-	1,072,332	259,841
				(210,518)
				49,323
Income from shares in group undertakings	-	-	-	122,367
				-
				122,367
Interest receivable	3,742	-	3,742	39,623
				-
				39,623
Interest payable	9,353	-	9,353	48,855
				-
				48,855
Profit before taxation	1,066,721	-	1,066,721	372,976
				(210,518)
				162,458
Taxation on ordinary activities	43,184	-	43,184	5,507
				-
				5,507
Profit for the financial year and total comprehensive income	1,023,537	-	1,023,537	367,469
				(210,518)
				156,951

The consolidated statement of comprehensive income continues on the following page.

The notes on pages 16 to 28 form part of these financial statements.

D.I.S Limited

Consolidated Statement of Comprehensive Income *(continued)*

Year ended 31 March 2018

	2018		2017	
	Continuing operations	Discont'd operations	Continuing operations	Discont'd operations
Note	£	£	£	£
Profit for the financial year attributable to: The owners of the parent company		939,736		156,951
Non-controlling interests		83,801		-
		<u>1,023,537</u>		<u>156,951</u>

The notes on pages 16 to 28 form part of these financial statements.

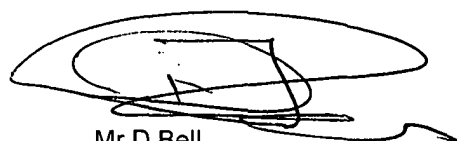
D.I.S Limited

Consolidated Statement of Financial Position

31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	15	26,001	29,715
Tangible assets	16	265,107	935,700
		<u>291,108</u>	<u>965,415</u>
Current assets			
Stocks	18	551,709	876,389
Debtors	19	4,620,152	3,446,202
Cash at bank and in hand		850,527	505,001
		<u>6,022,388</u>	<u>4,827,592</u>
Creditors: amounts falling due within one year	20	<u>3,966,994</u>	<u>3,185,520</u>
Net current assets		<u>2,055,394</u>	<u>1,642,072</u>
Total assets less current liabilities		<u>2,346,502</u>	<u>2,607,487</u>
Provisions			
Taxation including deferred tax	22	(7,477)	(20,955)
Net assets		<u>2,353,979</u>	<u>2,628,442</u>
Capital and reserves			
Called up share capital	26	24,900	50,000
Capital redemption reserve	27	25,100	—
Profit and loss account	27	2,230,178	2,578,442
Equity attributable to the owners of the parent company		<u>2,280,178</u>	<u>2,628,442</u>
Non-controlling interests		<u>73,801</u>	<u>—</u>
		<u>2,353,979</u>	<u>2,628,442</u>

These financial statements were approved by the board of directors and authorised for issue on 18 October 2018, and are signed on behalf of the board by:



Mr D Bell
Director

Company registration number: 02287363

The notes on pages 16 to 28 form part of these financial statements.

D.I.S Limited

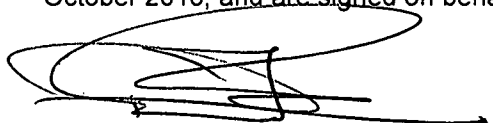
Company Statement of Financial Position

31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	16	74,521	774,808
Investments	17	110,100	110,000
		<u>184,621</u>	<u>884,808</u>
Current assets			
Debtors	19	1,189,737	991,568
Cash at bank and in hand		789,757	380,909
		<u>1,979,494</u>	<u>1,372,477</u>
Creditors: amounts falling due within one year	20	<u>291,124</u>	<u>51,051</u>
Net current assets		<u>1,688,370</u>	<u>1,321,426</u>
Total assets less current liabilities		<u>1,872,991</u>	<u>2,206,234</u>
Provisions			
Taxation including deferred tax	22	(1,400)	(12,707)
Net assets		<u>1,874,391</u>	<u>2,218,941</u>
Capital and reserves			
Called up share capital	26	24,900	50,000
Capital redemption reserve	27	25,100	-
Profit and loss account	27	1,824,391	2,168,941
Shareholders funds		<u>1,874,391</u>	<u>2,218,941</u>

The profit for the financial year of the parent company was £943,450 (2017: £500,454).

These financial statements were approved by the board of directors and authorised for issue on 18 October 2018, and are signed on behalf of the board by:



Mr D Bell
Director

Company registration number: 02287363

The notes on pages 16 to 28 form part of these financial statements.

D.I.S Limited

Consolidated Statement of Changes in Equity

Year ended 31 March 2018

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non-controlli ng interests £	Total £
At 1 April 2016	50,000	–	2,431,491	2,481,491	–	2,481,491
Profit for the year	—	—	156,951	156,951	–	156,951
Total comprehensive income for the year	–	–	156,951	156,951	–	156,951
Dividends paid and payable 14	–	–	(10,000)	(10,000)	–	(10,000)
Total investments by and distributions to owners	–	–	(10,000)	(10,000)	–	(10,000)
At 31 March 2017	50,000	–	2,578,442	2,628,442	–	2,628,442
Profit for the year	—	—	939,736	939,736	83,801	1,023,537
Total comprehensive income for the year	–	–	939,736	939,736	83,801	1,023,537
Dividends paid and payable 14	–	–	(28,000)	(28,000)	(10,000)	(38,000)
Redemption of shares	(25,100)	25,100	(1,260,000)	(1,260,000)	–	(1,260,000)
Total investments by and distributions to owners	(25,100)	25,100	(1,288,000)	(1,288,000)	(10,000)	(1,298,000)
At 31 March 2018	<u>24,900</u>	<u>25,100</u>	<u>2,230,178</u>	<u>2,280,178</u>	<u>73,801</u>	<u>2,353,979</u>

The notes on pages 16 to 28 form part of these financial statements.

D.I.S Limited
Company Statement of Changes in Equity
Year ended 31 March 2018

		Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2016		50,000	–	1,678,487	1,728,487
Profit for the year		—	—	500,454	500,454
Total comprehensive income for the year		—	—	500,454	500,454
Dividends paid and payable	14	—	—	(10,000)	(10,000)
Total investments by and distributions to owners		—	—	(10,000)	(10,000)
At 31 March 2017		50,000	–	2,168,941	2,218,941
Profit for the year		—	—	943,450	943,450
Total comprehensive income for the year		—	—	943,450	943,450
Dividends paid and payable	14	—	—	(28,000)	(28,000)
Redemption of shares		(25,100)	25,100	(1,260,000)	(1,260,000)
Total investments by and distributions to owners		(25,100)	25,100	(1,288,000)	(1,288,000)
At 31 March 2018		<u>24,900</u>	<u>25,100</u>	<u>1,824,391</u>	<u>1,874,391</u>

The notes on pages 16 to 28 form part of these financial statements.

D.I.S Limited

Consolidated Statement of Cash Flows

Year ended 31 March 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	1,023,537	156,951
<i>Adjustments for:</i>		
Depreciation of tangible assets	139,447	149,335
Amortisation of intangible assets	3,714	3,714
Income from shares in group undertakings	–	(122,367)
Interest receivable	(3,742)	(39,623)
Interest payable	9,353	48,855
(Gains)/loss on disposal of tangible assets	(252,505)	42,013
Taxation on ordinary activities	43,184	5,507
Accrued (income)/expenses	(27,873)	11,759
Other operating cash flow adjustment	390	(3,049)
<i>Changes in:</i>		
Stocks	324,680	(482,629)
Trade and other debtors	(1,173,950)	(287,841)
Trade and other creditors	524,541	(103,002)
Cash generated from operations	610,776	(620,377)
Interest paid	(9,353)	(48,855)
Interest received	3,742	39,623
Tax paid	(763)	(20,390)
Net cash from/(used in) operating activities	<u>604,402</u>	<u>(649,999)</u>
Cash flows from investing activities		
Purchase of tangible assets	(323,624)	(311,625)
Proceeds from sale of tangible assets	1,107,647	133,656
Proceeds from sale of subsidiaries	–	122,367
Net cash from/(used in) investing activities	<u>784,023</u>	<u>(55,602)</u>
Cash flows from financing activities		
Purchase of own shares	(1,260,000)	–
Proceeds from borrowings	28,000	10,000
Proceeds from loans from participating interests	252,419	–
Payments of finance lease liabilities	(25,318)	(26,318)
Dividends paid	(38,000)	(10,000)
Net cash used in financing activities	<u>(1,042,899)</u>	<u>(26,318)</u>
Net increase/(decrease) in cash and cash equivalents	345,526	(731,919)
Cash and cash equivalents at beginning of year	505,001	1,236,920
Cash and cash equivalents at end of year	<u>850,527</u>	<u>505,001</u>

The notes on pages 16 to 28 form part of these financial statements.

D.I.S Limited

Notes to the Financial Statements

Year ended 31 March 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is The Old School House, Leckhampton, Cheltenham, GL53 0AX, Gloucestershire.

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.

Going concern

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group has cash reserves and currently no requirement for external funding. Accordingly the directors believe it is appropriate to prepare the financial statements on the going concern basis. The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group has cash reserves and currently no requirement for external funding. Accordingly the directors believe it is appropriate to prepare the financial statements on the going concern basis.

Disclosure exemptions

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

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of D.I.S Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

D.I.S Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

Judgements and key sources of estimation uncertainty

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

Revenue recognition

Turnover comprises revenue recognised by the group in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

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.

D.I.S Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	- 10% straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

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:

Property	- 2% straight line
Plant and machinery	- 10% straight line
Fixtures & fittings	- 10% straight line
Motor vehicles	- 25% straight line
Equipment	- 10% straight line

Investments

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

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

Investments in associates

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

D.I.S Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.

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.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

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.

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.

D.I.S Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Provisions *(continued)*

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.

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:

	2018 £	2017 £
Construction contracts	<u>14,433,313</u>	<u>12,864,334</u>

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

5. Other operating income

	2018 £	2017 £
Rental income	3,375	83,500
Other operating income	<u>41,321</u>	<u>24,895</u>
	<u>44,696</u>	<u>108,395</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2018 £	2017 £
Amortisation of intangible assets	3,714	3,714
Depreciation of tangible assets	139,447	149,335
(Gains)/loss on disposal of tangible assets	(252,505)	42,013
Impairment of trade debtors	<u>—</u>	<u>10,524</u>

D.I.S Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

7. Auditor's remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>8,850</u>	<u>8,850</u>

8. Particulars of employees

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

	2018	2017
	No.	No.
Production staff	41	20
Distribution staff	–	40
Administrative staff	15	15
Management staff	4	6
	<u>60</u>	<u>81</u>

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

	2018	2017
	£	£
Wages and salaries	2,194,042	2,686,307
Social security costs	106,178	97,619
Other pension costs	40,232	71,786
	<u>2,340,452</u>	<u>2,855,712</u>

9. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	225,101	228,233
Company contributions to defined contribution pension plans	13,703	10,725
	<u>238,804</u>	<u>238,958</u>

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

	2018	2017
	No.	No.
Defined benefit plans	<u>1</u>	<u>2</u>

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

	2018	2017
	£	£
Aggregate remuneration	<u>85,000</u>	<u>88,400</u>

D.I.S Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

10. Income from shares in group undertakings

	2018	2017
	£	£
Amounts written off intercompany balances	<u>—</u>	<u>122,367</u>

11. Interest receivable

	2018	2017
	£	£
Interest on loans and receivables	<u>3,742</u>	<u>39,623</u>

12. Interest payable

	2018	2017
	£	£
Interest on obligations under finance leases and hire purchase contracts	—	7,129
Other interest payable and similar charges	<u>9,353</u>	<u>41,726</u>
	<u>9,353</u>	<u>48,855</u>

13. Taxation on ordinary activities

Major components of tax income

	2018	2017
	£	£
Current tax:		
UK current tax income	35,006	—
Adjustments in respect of prior periods	(4,538)	11,297
Total current tax	<u>30,468</u>	<u>11,297</u>
Deferred tax:		
Origination and reversal of timing differences	<u>12,716</u>	(5,790)
Taxation on ordinary activities	<u>43,184</u>	<u>5,507</u>

D.I.S Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

13. Taxation on ordinary activities *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 20%).

	2018 £	2017 £
Profit on ordinary activities before taxation	<u>1,066,721</u>	<u>162,458</u>
Profit on ordinary activities by rate of tax	202,677	48,489
Effect of capital allowances and depreciation	(17,699)	(15,600)
Utilisation of tax losses	(149,972)	(32,889)
Tax adjustments and other timing differences	12,716	(5,790)
Adjustment to tax charge in respect of previous periods	(4,538)	11,297
Tax on profit	<u>43,184</u>	<u>5,507</u>

14. Dividends

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

	2018 £	2017 £
Dividends on equity shares	<u>38,000</u>	<u>10,000</u>

15. Intangible assets

Group	Goodwill £
Cost	
At 1 April 2017 and 31 March 2018	<u>57,093</u>
Amortisation	
At 1 April 2017	27,378
Charge for the year	3,714
At 31 March 2018	<u>31,092</u>
Carrying amount	
At 31 March 2018	<u>26,001</u>
At 31 March 2017	<u>29,715</u>

The company has no intangible assets.

D.I.S Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2018

16. Tangible assets

Group	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2017	884,176	68,636	177,389	502,820	287,926	1,920,947
Additions	–	–	–	311,943	11,681	323,624
Disposals	(884,176)	–	(100,648)	(351,528)	–	(1,336,352)
At 31 Mar 2018	–	68,636	76,741	463,235	299,607	908,219
Depreciation						
At 1 Apr 2017	227,833	55,400	127,737	330,763	243,142	984,875
Charge for the year	–	1,711	11,204	94,959	31,573	139,447
Disposals	(227,833)	–	(96,934)	(156,443)	–	(481,210)
At 31 Mar 2018	–	57,111	42,007	269,279	274,715	643,112
Carrying amount						
At 31 Mar 2018	–	11,525	34,734	193,956	24,892	265,107
At 31 Mar 2017	656,343	13,236	49,652	172,057	44,784	936,072
Company						
	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 Apr 2017	884,176	13,766	90,994	158,172	67,929	1,215,037
Additions	–	–	–	180,966	–	180,966
Disposals	(884,176)	–	(36,994)	(254,475)	–	(1,175,645)
At 31 Mar 2018	–	13,766	54,000	84,663	67,929	220,358
Depreciation						
At 1 Apr 2017	224,793	13,766	47,794	117,797	36,079	440,229
Charge for the year	–	–	10,800	13,434	16,660	40,894
Disposals	(224,793)	–	(36,994)	(73,499)	–	(335,286)
At 31 Mar 2018	–	13,766	21,600	57,732	52,739	145,837
Carrying amount						
At 31 Mar 2018	–	–	32,400	26,931	15,190	74,521
At 31 Mar 2017	659,383	–	43,200	40,375	31,850	774,808

17. Investments

The group has no investments.

D.I.S Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

17. Investments *(continued)*

Company	Other investments other than loans £
Cost	
At 1 April 2017	110,000
Additions	<u>100</u>
At 31 March 2018	<u>110,100</u>
Impairment	
At 1 April 2017 and 31 March 2018	<u><u>-</u></u>
Carrying amount	
At 31 March 2018	<u>110,100</u>
At 31 March 2017	<u><u>110,000</u></u>

Subsidiary undertakings

All held by the company:

CDM Ductwork Ltd - intermediate holding company

Design Installation Service Ltd* - installs ventilation and air conditioning systems

DIS Sprinklers Ltd - manufactures and installs sprinkler systems

All subsidiaries are 100% owned and registered in England.

* Companies are 100% subsidiaries of the wholly owned subsidiary CDM Ductwork Limited.

The results of the above subsidiaries have been included in these consolidated financial statements.

Investments in associates and joint ventures

18. Stocks

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Raw materials	57,477	45,607	-	-
Work in progress	494,232	830,782	-	-
	<u>551,709</u>	<u>876,389</u>	<u>-</u>	<u>-</u>

D.I.S Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

19. Debtors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	4,588,174	3,419,761	–	–
Amounts owed by group undertakings	–	–	1,177,337	976,138
Prepayments and accrued income	29,992	20,601	7,424	7,132
Other debtors	1,986	5,840	4,976	8,298
	<u>4,620,152</u>	<u>3,446,202</u>	<u>1,189,737</u>	<u>991,568</u>

20. Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	2,574,272	1,614,019	2,549	3,522
Amounts owed to undertakings in which the company has a participating interest	252,419	–	252,419	–
Accruals and deferred income	177,404	205,277	4,049	2,281
Corporation tax	35,006	5,301	–	–
Social security and other taxes	561,254	595,844	3,157	7,370
Obligations under finance leases and hire purchase contracts	–	25,318	–	25,318
Director loan accounts	38,000	10,000	28,000	10,000
Other creditors	8,561	7,177	–	–
Other creditors	320,078	722,584	950	2,560
	<u>3,966,994</u>	<u>3,185,520</u>	<u>291,124</u>	<u>51,051</u>

21. Finance leases and hire purchase contracts

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Not later than 1 year	–	25,318	–	25,318

22. Provisions

Group	Deferred tax (note 23) £
At 1 April 2017	(20,955)
Additions	1,409
Charge against provision	12,069
At 31 March 2018	<u>(7,477)</u>

D.I.S Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

22. Provisions *(continued)*

Company	Deferred tax (note 23) £
At 1 April 2017	(12,707)
Charge against provision	11,307
At 31 March 2018	<u>(1,400)</u>

23. Deferred tax

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Included in provisions (note 22)	<u>(7,477)</u>	<u>(20,955)</u>	<u>(1,400)</u>	<u>(12,707)</u>

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Accelerated capital allowances	<u>(7,477)</u>	<u>(20,955)</u>	<u>(7,477)</u>	<u>(20,955)</u>

24. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £26,529 (2017: £61,061).

25. Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

D.I.S Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

26. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>24,900</u>	<u>24,900</u>	<u>50,000</u>	<u>50,000</u>
Share movements				
			No.	£
Ordinary				
At 1 April 2017			50,000	50,000
Shares redeemed			(25,100)	(25,100)
At 31 March 2018			<u>24,900</u>	<u>24,900</u>

27. Reserves

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

28. Commitments under operating leases

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Later than 1 year and not later than 5 years	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>

29. Contingencies

All group companies, except for D.I.S Limited are party to a cross guarantee given to the group's bankers and as such there is a contingent liability at the balance sheet date for the bank borrowing of all group undertakings.

30. Related party transactions

Company

The company has taken advantage of the exemption in FRS 8 from reporting transactions entered into with group companies since the companies' results have been included in the consolidated financial statements, which are publicly available.

The company has an outstanding loan from DIS Limited Pension Scheme. This is deemed to be a related party transaction because the directors of D.I.S Limited are also trustees of the pension scheme. As at 31 March 2018 £252,419 (2017: £nil) was still outstanding. This transaction was made on an arms length commercial basis.

The controlling party is Mr R Bell by virtue of his shareholding.