

Registered number: 04180810

TNV CONSTRUCTION LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022



LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

TNV CONSTRUCTION LIMITED

COMPANY INFORMATION

DIRECTORS

Gunpat Patel
Ashokkumar Velji Patel

COMPANY SECRETARY

Vanisha Patel

REGISTERED NUMBER

04180810

REGISTERED OFFICE

33 South Parade
Mollison Way
Edgware
HA8 5QL

INDEPENDENT AUDITORS

Lubbock Fine LLP
Chartered Accountants & Statutory Auditors
Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

BANKERS

HSBC Bank plc
554 Kingsbury Road
London
NW9 9EE

TNV CONSTRUCTION LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 8
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 - 26

TNV CONSTRUCTION LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

INTRODUCTION

The directors have the pleasure in presenting this strategic report of the Company for the year ended 31 March 2022.

BUSINESS REVIEW

The Company operates in the construction sector.

The Company continued works on existing projects and entered into new contracts during the year, recognising total turnover for the year of £25,084,657 (2021 - £20,995,540). During the year the Company made a profit before tax of £1,312,181 (2021 - £1,027,134)

DEVELOPMENT AND PERFORMANCE DURING THE YEAR

During the year the company worked on a number of contracts which started at the end of 2021 and entered into a number of new contracts. This contributed to a 19.7% increase in turnover recognised.

FUTURE DEVELOPMENTS

The Directors continue to pursue new projects to grow the profitability of the Company and enhance the capital base. After the balance sheet date, management have signed agreements for a number of new projects with total projected income of £33.4m, which will give the Company some stability during the forecasted recession.

PRINCIPAL RISKS AND UNCERTAINTIES

A principal risk for the Company is that it engages in a construction project which becomes unprofitable. The Company seeks to minimise this risk by producing feasibility studies for each prospective project to ensure a suitable contract price is agreed. Once a project is underway, the Company continually monitors the profitability of the overall contract.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company uses various financial instruments principally comprising trade debtors, trade creditors and cash. The main risks arising from the Company's financial instruments are credit, liquidity, operating, and capital. The directors review and agree policies for managing each of these risks and they are summarised below:

Credit risk

The Company is exposed to a risk of financial loss if a customer fails to meet its contractual obligations. Credit limits may be implemented to reduce this risk.

Liquidity risk

The Company manages its cash and borrowing requirements in order to minimise interest expense whilst ensuring the Company has sufficient liquid resource to meet the operating needs of the business.

Operating risk

The Company's purpose is to manage the operating risk so as to balance the prevention of financial losses and the damage to the Company's reputation with the general effectiveness of costs and avoid the control procedures that restrict initiative and creativity.

Capital risk

The Company's objectives are focused on guaranteeing its ability to continue operating as a going concern, provide shareholders with profits and maintain an optimal capital structure.

TNV CONSTRUCTION LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

KEY PERFORMANCE INDICATORS

The Company's key performance indicators are turnover and profit after tax.

The turnover for the year has increased by 19.7% whilst profit after tax decreased. The increase in turnover is due to taking on larger projects, and also due to the projects being delayed in the year to 31 March 2021 due to the covid-19 pandemic, which meant that construction was not able to be completed for several months of that year.

Furthermore, the costs have significantly increased which is why the profit after tax has decreased. This is because both the labour and materials costs have increased by around 20% due to supply chain issues caused by the covid-19 pandemic. This was due to an increase in delays which the Company were not able to charge on to customers.

This report was approved by the board and signed on its behalf.

Gunpat Patel

Gunpat Patel
Director

Date: 16 December 2022

TNV CONSTRUCTION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,115,947 (2021 - £801,999).

The directors have recommended an interim dividend of £1,250,000 (2021 - £2,500,000)

DIRECTORS

The directors who served during the year were:

Gunpat Patel
Ashokkumar Velji Patel

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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 to 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.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

During the year, the directors had a qualifying third party indemnity insurance.

MATTERS COVERED IN THE STRATEGIC REPORT

In accordance with section 414C(11) of the Companies Act 2006, the following disclosures have been made in the Strategic Report:

- Financial instruments
- Future developments

TNV CONSTRUCTION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, Lubbock Fine LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.

Gunpat Patel

Gunpat Patel

Director

Date: 16 December 2022

TNV CONSTRUCTION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TNV CONSTRUCTION LIMITED

OPINION

We have audited the financial statements of TNV Construction Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity 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 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 the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 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 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Auditors' 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.

TNV CONSTRUCTION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TNV CONSTRUCTION LIMITED (CONTINUED)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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.

AUDITORS' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

TNV CONSTRUCTION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TNV CONSTRUCTION LIMITED (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, we considered the following:

- Enquiries of management concerning the company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and FRS 102.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid material penalties. These included but were not limited to health and safety regulations, employment law, GDPR and environmental regulations.

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to irregularities, including fraud, were in respect of management override, debtor recoverability, revenue recognition and legal provisions.

Our procedures to respond to risks identified included the following:

- Enquiring of management concerning actual and potential litigation and claims, and holding discussions with the company's legal advisors with regards to any legal claim;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made by the directors in making accounting estimates are indicative of any potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the company's operations;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Agreeing debtors at the balance sheet date to post year end receipts, and holding discussions with management to assess the recoverability of any outstanding balances;
- Performing substantive testing on a sample of projects against their valuations to ensure that revenue has been correctly recognised.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.

TNV CONSTRUCTION LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TNV CONSTRUCTION LIMITED
(CONTINUED)**

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 Auditors' 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.

Lubbock Fine LLP

David Chandra (Senior Statutory Auditor)

for and on behalf of

Lubbock Fine LLP

Chartered Accountants & Statutory Auditors

Paternoster House

65 St Paul's Churchyard

London

EC4M 8AB

Date: 19 December 2022

TNV CONSTRUCTION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover	4	25,084,657	20,955,540
Cost of sales		(22,668,180)	(19,231,357)
Gross profit		<u>2,416,477</u>	<u>1,724,183</u>
Administrative expenses		(1,134,717)	(959,798)
Other operating income	5	16,819	213,471
Operating profit	6	<u>1,298,579</u>	<u>977,856</u>
Interest receivable and similar income	10	16,805	52,305
Interest payable and similar expenses	11	(3,203)	(3,027)
Profit before tax		<u>1,312,181</u>	<u>1,027,134</u>
Tax on profit	12	(196,234)	(225,135)
Profit for the financial year		<u><u>1,115,947</u></u>	<u><u>801,999</u></u>

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 13 to 26 form part of these financial statements.

**BALANCE SHEET
AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	113,965	111,944
		<u>113,965</u>	<u>111,944</u>
Current assets			
Stocks	15	148,761	158,908
Debtors: amounts falling due within one year	16	6,310,924	7,162,392
Cash at bank and in hand	17	1,340,144	1,759,198
		<u>7,799,829</u>	<u>9,080,498</u>
Creditors: amounts falling due within one year	18	(7,716,317)	(8,843,156)
Net current assets		<u>83,512</u>	<u>237,342</u>
Total assets less current liabilities		<u>197,477</u>	<u>349,286</u>
Creditors: amounts falling due after more than one year	19	(10,446)	(28,202)
Provisions for liabilities			
Deferred tax	21	(21,269)	(21,269)
Net assets		<u><u>165,762</u></u>	<u><u>299,815</u></u>
Capital and reserves			
Called up share capital	22	2,000	2,000
Capital redemption reserve	23	8,000	8,000
Profit and loss account	23	155,762	289,815
		<u><u>165,762</u></u>	<u><u>299,815</u></u>

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

Gunpat Patel

Gunpat Patel
Director

The notes on pages 13 to 26 form part of these financial statements.

16 December 2022

TNV CONSTRUCTION LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2020	2,000	8,000	1,987,816	1,997,816
Profit for the year	-	-	801,999	801,999
Total comprehensive income for the year	-	-	801,999	801,999
Dividends: Equity capital	-	-	(2,500,000)	(2,500,000)
At 1 April 2021	2,000	8,000	289,815	299,815
Profit for the year	-	-	1,115,947	1,115,947
Total comprehensive income for the year	-	-	1,115,947	1,115,947
Dividends: Equity capital	-	-	(1,250,000)	(1,250,000)
At 31 March 2022	2,000	8,000	155,762	165,762

The notes on pages 13 to 26 form part of these financial statements.

TNV CONSTRUCTION LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	1,115,947	801,999
Adjustments for:		
Depreciation of tangible assets	56,881	38,777
Loss on disposal of tangible assets	(3,224)	-
Government grants	(16,819)	(213,471)
Interest paid	3,203	3,027
Interest received	(16,805)	(52,305)
Taxation charge	-	225,135
Decrease in stocks	10,147	4,147
Decrease/(increase) in debtors	851,468	(1,993,179)
(Decrease)/increase in creditors	(1,126,838)	2,639,339
Corporation tax received/(paid)	-	(350,517)
Net cash generated from operating activities	<u>873,960</u>	<u>1,102,952</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(60,919)	(5,665)
Sale of tangible fixed assets	5,241	-
Government grants received	16,819	213,471
Interest received	16,805	52,305
HP interest paid	(3,027)	(3,027)
Net cash from investing activities	<u>(25,081)</u>	<u>257,084</u>
Cash flows from financing activities		
Repayment of/new finance leases	(17,757)	(17,757)
Dividends paid	(1,250,000)	(2,500,000)
Interest paid	(176)	-
Net cash used in financing activities	<u>(1,267,933)</u>	<u>(2,517,757)</u>
Net (decrease) in cash and cash equivalents	<u>(419,054)</u>	<u>(1,157,721)</u>
Cash and cash equivalents at beginning of year	1,759,198	2,916,919
Cash and cash equivalents at the end of year	<u><u>1,340,144</u></u>	<u><u>1,759,198</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,340,144	1,759,198
	<u><u>1,340,144</u></u>	<u><u>1,759,198</u></u>

The notes on pages 13 to 26 form part of these financial statements.

TNV CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION

TNV Construction Limited is a private company limited by shares and incorporated in England and Wales, registered number 04180810. Its registered office and principal place of business is 33 South Parade, Mollison Way, Edgware, Middlesex, HA8 5QL.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

The following principal accounting policies have been applied:

2.2 GOING CONCERN

Management monitor the Company's working capital requirements and the directors consider it is appropriate to prepare the financial statements on a going concern basis. This assumes that the Company will continue in operational existence for the foreseeable future and for at least 12 months after the signing of the financial statements.

If the Company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of the assets to their recoverable amounts, provide for further liabilities that may arise and reclassify fixed assets as current assets.

2.3 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

TNV CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

2.4 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Where the outcome of a long term contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion for the contract activity at the Balance Sheet date.

Where the outcome of a long term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.

2.5 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.6 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.7 FINANCE COSTS

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

2.8 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

TNV CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

2.9 CURRENT AND DEFERRED TAXATION

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 TANGIBLE FIXED ASSETS

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	33% per annum
Motor vehicles	-	25% per annum
Fixtures and fittings	-	20% per annum
Computer equipment	-	33% per annum

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

TNV CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

2.11 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 CASH AND CASH EQUIVALENTS

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.14 CREDITORS

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

2.15 PROVISIONS FOR LIABILITIES

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

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

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.16 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid

TNV CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

2.16 FINANCIAL INSTRUMENTS (CONTINUED)

or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.17 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

TNV CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES 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 for assets and liabilities as at the balance sheet date and the amounts reported for turnover and expenses during the year. However, the nature of estimates means that actual outcomes could differ from those estimates.

Judgements

There are considered to be no key judgements which would have a significant impact on the amounts recognised in the financial statements other than those noted below.

Estimates and assumptions

The key estimates and assumptions concerning the future and other sources of estimation uncertainty at the reporting dates that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are outlined below:

Contracts

Recognition of turnover and profit on contracts requires management judgement regarding the anticipated final outcome of individual contracts and of the proportion of works completed at the balance sheet date.

The value of work completed at the balance sheet date is assessed through internal valuations on each element of works completed and in progress.

The calculations include an estimation of the costs to complete which may differ from the actual costs incurred on completion.

The age, nature and recoverability of all debtors and amounts recoverable on contracts are reviewed regularly by management and provisions made where appropriate.

Consistent procedures and management tools are in place to ensure that estimates are applied and results determined on a consistent basis.

See notes 16 and 18 for the value of the contracts recognised in the financial statements.

4. TURNOVER

The whole of the turnover is attributable to provision of services.

All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

	2022 £	2021 £
Government grants receivable	16,819	213,471

TNV CONSTRUCTION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2022****6. OPERATING PROFIT**

The operating profit is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets	56,881	38,777
Exchange differences	(1,111)	(32)
Defined contribution pension cost	61,187	58,018
	<u> </u>	<u> </u>

7. AUDITORS' REMUNERATION

	2022	2021
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	33,400	20,000
	<u> </u>	<u> </u>

8. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2022	2021
	£	£
Wages and salaries	1,268,315	1,134,147
Social security costs	138,001	112,368
Cost of defined contribution scheme	61,187	58,018
	<u> </u>	<u> </u>
	<u>1,467,503</u>	<u>1,304,533</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022	2021
	No.	No.
Director	2	2
Cost of sales	29	23
Administrative	7	13
	<u> </u>	<u> </u>
	<u>38</u>	<u>38</u>

TNV CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

9. DIRECTORS' REMUNERATION

	2022	2021
	£	£
Directors' emoluments	117,000	120,205
Company contributions to defined contribution pension schemes	2,484	2,282
	<u>119,484</u>	<u>122,487</u>

During the year retirement benefits were accruing to 2 directors (2021 - 2) in respect of defined contribution pension schemes.

10. INTEREST RECEIVABLE

	2022	2021
	£	£
Other interest receivable	16,805	52,305
	<u>16,805</u>	<u>52,305</u>

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest payable	176	-
Finance leases and hire purchase contracts	3,027	3,027
	<u>3,203</u>	<u>3,027</u>

12. TAXATION

	2022	2021
	£	£
CORPORATION TAX		
Current tax on profits for the year	196,234	203,866
DEFERRED TAX		
Origination and reversal of timing differences	-	21,269
	<u>-</u>	<u>21,269</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>196,234</u>	<u>225,135</u>

TNV CONSTRUCTION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2022****12. TAXATION (CONTINUED)****FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	1,312,181	1,027,134
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	249,314	195,155
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	7,357	2,291
Capital allowances for year in excess of depreciation	4,710	(6,047)
Other timing differences leading to an increase (decrease) in taxation	5,413	4,041
Other differences leading to an increase (decrease) in the tax charge	(70,560)	29,695
TOTAL TAX CHARGE FOR THE YEAR	196,234	225,135

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The UK main corporation tax rate will be increased to 25% applying to profits over £250,000 (effective from 1 April 2023) following the Chancellor's Budget on 3 March 2021. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

13. DIVIDENDS

	2022 £	2021 £
Dividends paid on equity capital	1,250,000	2,500,000

TNV CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

14. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION					
At 1 April 2021	-	424,860	17,134	70,270	512,264
Additions	59,000	-	-	1,919	60,919
Disposals	-	(27,874)	-	-	(27,874)
At 31 March 2022	59,000	396,986	17,134	72,189	545,309
DEPRECIATION					
At 1 April 2021	-	322,331	16,807	61,182	400,320
Charge for the year on owned assets	19,470	33,713	65	3,633	56,881
Disposals	-	(25,857)	-	-	(25,857)
At 31 March 2022	19,470	330,187	16,872	64,815	431,344
NET BOOK VALUE					
At 31 March 2022	39,530	66,799	262	7,374	113,965
At 31 March 2021	-	102,529	327	9,088	111,944

15. STOCKS

	2022 £	2021 £
Raw materials and consumables	148,761	158,908

Stock recognised in cost of sales during the year as an expense was £10,148 (2021 - £4,147)

16. DEBTORS

	2022 £	2021 £
Trade debtors	5,506,831	6,150,690
Other debtors	696,226	906,954
Prepayments and accrued income	107,867	104,748
	6,310,924	7,162,392

TNV CONSTRUCTION LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2022**

16. DEBTORS (CONTINUED)

Trade debtors includes £3,213,560 (2021 - £3,077,507) relating to amounts recoverable on long-term contracts.

17. CASH AND CASH EQUIVALENTS

	2022	2021
	£	£
Cash at bank and in hand	1,340,144	1,759,198

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Dividends payable	-	20,000
Trade creditors	6,828,187	8,525,324
Corporation tax	249,968	-
Other taxation and social security	141,180	54,870
Obligations under finance lease and hire purchase contracts	17,756	17,757
Other creditors	358,034	146,064
Accruals and deferred income	121,192	79,141
	<u>7,716,317</u>	<u>8,843,156</u>

Trade creditors includes £2,933,002 (2021 - £4,513,268) in relation to costs accrued on long-term contracts.

The hire purchase and finance lease liabilities are secured on the related assets.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Net obligations under finance leases and hire purchase contracts	10,446	28,202

TNV CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

20. FINANCIAL INSTRUMENTS

	2022	2021
	£	£
FINANCIAL ASSETS		
Financial assets that are debt instruments measures at amortised cost	6,203,057	7,038,986
	<u>6,203,057</u>	<u>7,038,986</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(7,335,616)	(8,816,488)
	<u>(7,335,616)</u>	<u>(8,816,488)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and obligations under finance leases.

21. DEFERRED TAXATION

	2022	2021
	£	£
At beginning of year	(21,269)	-
Charged to profit or loss	-	(21,269)
AT END OF YEAR	<u>(21,269)</u>	<u>(21,269)</u>

The provision for deferred taxation is made up as follows:

	2022	2021
	£	£
Accelerated capital allowances	(21,269)	(21,269)
	<u>(21,269)</u>	<u>(21,269)</u>

22. SHARE CAPITAL

	2022	2021
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
2,000 (2021 - 2,000) Ordinary shares of £1.00 each	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

TNV CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

23. RESERVES

Capital redemption reserve

Non-distributable reserve arising on the buyback of shares.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

24. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company into the fund and amounted to £61,187 (2021 - £58,018). Contributions totaling £4,910 (2021 - £3,810) were payable to the fund at the balance sheet date.

25. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	£	£
Not later than 1 year	18,239	25,884
Later than 1 year and not later than 5 years	-	18,239
	<u>18,239</u>	<u>44,123</u>

26. TRANSACTIONS WITH DIRECTORS

During the year, advances were granted to the directors amounting to £4,743 (2021 - £6,111). Repayments of this advance were made during the period totaling £118,859 (2021 - £67,811), resulting in amounts owed to the directors by the Company of £162,292 (2021 - £66,220). The balance is unsecured, interest free and repayable on demand.

TNV CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

27. RELATED PARTY TRANSACTIONS

During the year the Company entered into transactions, in the ordinary course of business, with related parties.

Transactions entered into during the year ended 31 March 2022 and balances outstanding as at 31 March 2022, are as follows:

	2022	2021
	£	£
Sales	27,838	222,473
Expenses	1,624,372	1,231,761
Amounts receivable	469,265	710,644
Amounts payable	417,357	395,123

Terms and conditions of transactions with related parties

Outstanding balances with entities are unsecured, interest free, and repayable on demand.

Key management personnel compensation

Key management personnel includes those persons having authority and responsibility for planning and controlling the activities of the entity, directly or indirectly, including directors. Total amounts paid to key management personnel during the year was £146,559 (2021 - £158,887).

28. CONTROLLING PARTY

The immediate and ultimate parent undertaking is Kanvel Holdings Ltd, a company incorporated in England. Kanvel Holdings Ltd is the parent undertaking of the smallest and largest group which prepared consolidated financial statements which includes the results of the company.

Copies of the financial statements of Kanvel Holdings Ltd are available at the following address:

33 South Parade
Mollison Way
Edgware
HA8 5QL.

At the balance sheet date there continues to be no one controlling party.