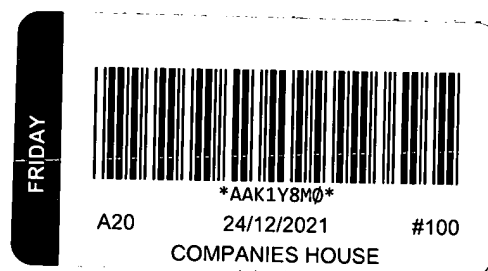


Registered number: 04180810

**TNV CONSTRUCTION LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2021**



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

# **TNV CONSTRUCTION LIMITED**

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**TNV CONSTRUCTION LIMITED**

**COMPANY INFORMATION**

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**DIRECTORS**

Ashok Velji Patel  
Gunpat 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**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**INTRODUCTION**

The director has the pleasure in presenting this strategic report of the Company for the year ended 31 March 2021.

**FAIR REVIEW OF THE BUSINESS**

The Company operates in the construction sector.

The Company continued works on existing projects and entered into several new contracts at the end of the year, recognising total turnover for the year of £20,995,540 (2020 - £17,719,881). During the year the Company made a profit after tax of £801,999 (2020 - £830,788).

**DEVELOPMENT AND PERFORMANCE DURING THE YEAR**

During the year the company worked on a number of contracts which started at the end of 2020 and entered into a number of new contracts. This contributed to a 18.3% increase in turnover recognised.

In addition, the Company's gross profit decreased to £1,724,183 (2020 - £2,031,176) representing a 8.2% margin on sales (2020 - 11.5%).

**FUTURE DEVELOPMENTS**

The Director's continue to pursue new projects to grow the profitability of the Company and enhance the capital base.

**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.

The Company faces uncertainty over the impact of Brexit on the property market.

On 11 March 2020, the World Health Organisation declared the novel strain of coronavirus (COVID-19) a global pandemic, and recommended containment and mitigation measures worldwide. Construction was halted for a few months from mid-March 2020 to June 2020 with a gradual return to full construction during the summer. Despite the impact during the first half of the year, the year-end turnover increased on the prior year showing strong recovery. The Directors continuously monitor the impact of the pandemic on the Company and believe that the Company will continue to trade without any significant consequences as a result of the outbreak.

**FINANCIAL INSTRUMENTS**

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 director's 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.

**TNV CONSTRUCTION LIMITED**

**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

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**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 focussed on guaranteeing its ability to continue operating as a going concern, provide shareholders with profits and maintain an optimal capital structure.

**KEY PERFORMANCE INDICATORS**

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

The turnover for the year has increased by 18.3% whilst profit after tax has decreased. This is due to new contracts which started at the end of 2020, and therefore turnover being realised in the current financial year.

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



**Gunpat Patel**  
Director

Date: 23 December 2021

## **TNV CONSTRUCTION LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present their report and the financial statements for the year ended 31 March 2021.

#### **RESULTS**

The profit for the year, after taxation, amounted to £801,999 (2020 - £830,788).

The directors have recommended an interim dividend of £2,500,000 (2020 - £nil).

#### **DIRECTORS**

The directors who served during the year were:

Ashok Velji Patel

Gunpat Patel (appointed 2 April 2020)

#### **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 director 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 2021**

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**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: 23 December 2021

## **TNV CONSTRUCTION LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TNV CONSTRUCTION LIMITED**

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#### **OPINION**

We have audited the financial statements of TNV Construction Limited (the 'Company') for the year ended 31 March 2021, 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 2021 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)**

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#### **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 4, 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)**

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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; and
  - 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.
- 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, legal provisions and use of government support schemes during the pandemic.

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.
- Recalculation of a sample furlough claims made by the company during the year and testing the existence of employees on whom claims were made.
- Performing substantive testing on a sample of projects against their valuations to ensure that revenue has been correctly recognised.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

## **TNV CONSTRUCTION LIMITED**

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

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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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

#### **USE OF OUR REPORT**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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: 23 December 2021

**TNV CONSTRUCTION LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
Turnover		20,955,540	17,719,881
Cost of sales		(19,231,357)	(15,688,705)
<b>GROSS PROFIT</b>		<u>1,724,183</u>	<u>2,031,176</u>
Administrative expenses		(959,798)	(1,120,874)
Other operating income		213,471	(2,823)
<b>OPERATING PROFIT</b>	<b>4</b>	<u>977,856</u>	<u>907,479</u>
Interest receivable and similar income	<b>8</b>	52,305	32,224
Interest payable and similar expenses	<b>9</b>	(3,027)	(1,537)
<b>PROFIT BEFORE TAX</b>		<u>1,027,134</u>	<u>938,166</u>
Tax on profit	<b>10</b>	(225,135)	(107,378)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>801,999</u></u>	<u><u>830,788</u></u>

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 14 to 27 form part of these financial statements.

## BALANCE SHEET

AS AT 31 MARCH 2021

	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	12	111,944	145,056
<b>CURRENT ASSETS</b>			
Stocks	13	158,908	163,055
Debtors: amounts falling due within one year	14	7,162,392	5,130,937
Cash at bank and in hand	15	1,759,198	2,916,919
		<u>9,080,498</u>	<u>8,210,911</u>
Creditors: amounts falling due within one year	16	(8,843,156)	(6,311,192)
<b>NET CURRENT ASSETS</b>		237,342	1,899,719
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>349,286</u>	<u>2,044,775</u>
Creditors: amounts falling due after more than one year	17	(28,202)	(46,959)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax		(21,269)	-
		<u>(21,269)</u>	<u>-</u>
<b>NET ASSETS</b>		<u>299,815</u>	<u>1,997,816</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	2,000	2,000
Capital redemption reserve	21	8,000	8,000
Profit and loss account	21	289,815	1,987,816
		<u>299,815</u>	<u>1,997,816</u>

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

*Gunpat Patel*

**Gunpat Patel**  
Director

Date: 23 December 2021

The notes on pages 14 to 27 form part of these financial statements.

**TNV CONSTRUCTION LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2019</b>	10,000	-	4,334,948	4,344,948
Profit for the year	-	-	830,788	830,788
Purchase of own shares	-	8,000	(3,177,920)	(3,169,920)
Shares cancelled during the year	(8,000)	-	-	(8,000)
<b>At 1 April 2020</b>	2,000	8,000	1,987,816	1,997,816
Profit for the year	-	-	801,999	801,999
Dividends: Equity capital	-	-	(2,500,000)	(2,500,000)
<b>At 31 March 2021</b>	2,000	8,000	289,815	299,815

The notes on pages 14 to 27 form part of these financial statements.

**TNV CONSTRUCTION LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the financial year	801,999	830,788
<b>ADJUSTMENTS FOR:</b>		
Depreciation of tangible assets	38,777	49,616
Loss on disposal of tangible assets	-	2,823
Government grants	(213,471)	-
Interest paid	3,027	1,537
Interest received	(52,305)	(32,224)
Taxation charge	225,135	107,378
Decrease/(increase) in stocks	4,147	(70,617)
(Increase) in debtors	(1,993,179)	(664,214)
Increase in creditors	2,639,339	1,812,320
(Decrease) in provisions	-	(340,000)
Corporation tax paid	(350,517)	-
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<u>1,102,952</u>	<u>1,697,407</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	(5,665)	(107,232)
Sale of tangible fixed assets	-	8,750
Government grants received	213,471	-
Interest received	52,305	32,224
HP interest paid	(3,027)	(1,282)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<u>257,084</u>	<u>(67,540)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Purchase of ordinary shares	-	(3,177,920)
Repayment of/new finance leases	(17,757)	63,716
Dividends paid	(2,500,000)	-
Interest paid	-	(255)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(2,517,757)</u>	<u>(3,114,459)</u>
<b>(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(1,157,721)</u>	<u>(1,484,592)</u>
Cash and cash equivalents at beginning of year	<u>2,916,919</u>	<u>4,401,511</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<u><u>1,759,198</u></u>	<u><u>2,916,919</u></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b>		
Cash at bank and in hand	<u><u>1,759,198</u></u>	<u><u>2,916,919</u></u>

The notes on pages 14 to 27 form part of these financial statements.

# **TNV CONSTRUCTION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **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. In formulating this assessment the directors have taken into consideration the potential impact of the current global COVID-19 pandemic upon the Company and have determined that there is no significant risk to their continuation as a financial and operational going concern.

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 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 recognised on construction long-term contracts and 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 of 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.



## **TNV CONSTRUCTION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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## **2. ACCOUNTING POLICIES (continued)**

### **2.4 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:

Motor vehicles	-	25%	per annum reducing balance
Fixtures and fittings	-	20%	per annum reducing balance
Computer equipment	-	33%	per annum reducing balance

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.

### **2.5 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 the Statement of Income and Retained Earnings.

### **2.6 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.

### **2.7 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.

**TNV CONSTRUCTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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**2. ACCOUNTING POLICIES (continued)**

**2.8 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 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.

**2.9 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.

**TNV CONSTRUCTION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. ACCOUNTING POLICIES (continued)**

**2.10 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.

**2.11 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.

**2.12 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.

**2.13 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.14 Finance leases: the Company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. ACCOUNTING POLICIES (continued)**

**2.15 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.

**2.16 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.

**2.17 Interest income**

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

**2.18 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.

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**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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**2. ACCOUNTING POLICIES (continued)**

**2.19 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.

**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 14 and 16 for the value of the contracts recognised in the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	38,777	49,616
Exchange differences	(32)	83
Other operating lease rentals	38,716	38,981
Defined contribution pension cost	58,018	56,003
	<u>          </u>	<u>          </u>

**5. AUDITORS' REMUNERATION**

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £ (2020 - ).

**6. EMPLOYEES**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,134,147	997,560
Social security costs	112,368	97,971
Cost of defined contribution scheme	58,018	56,003
	<u>          </u>	<u>          </u>
	<u>1,304,533</u>	<u>1,151,534</u>

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Director	2	1
Cost of sales	23	23
Administrative	13	13
	<u>          </u>	<u>          </u>
	<u>38</u>	<u>37</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**7. DIRECTORS' REMUNERATION**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	120,205	51,048
Company contributions to defined contribution pension schemes	2,282	601
	<u>122,487</u>	<u>51,649</u>

During the year retirement benefits were accruing to 2 directors (2020 - 1) in respect of defined contribution pension schemes.

**8. INTEREST RECEIVABLE**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other interest receivable	52,305	32,224
	<u>52,305</u>	<u>32,224</u>

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank interest payable	-	255
Finance leases and hire purchase contracts	3,027	1,282
	<u>3,027</u>	<u>1,537</u>

**10. TAXATION**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>CORPORATION TAX</b>		
Current tax on profits for the year	203,866	107,378
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	21,269	-
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>225,135</u>	<u>107,378</u>

**TNV CONSTRUCTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**10. TAXATION (CONTINUED)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	<b>2021</b> £	<b>2020</b> £
Profit on ordinary activities before tax	1,027,134	938,166
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	195,155	178,252
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,291	9,119
Capital allowances for year in excess of depreciation	(6,047)	(10,085)
Other timing differences leading to an increase (decrease) in taxation	4,041	-
Other differences leading to an increase (decrease) in the tax charge	29,695	(69,908)
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<b>225,135</b>	<b>107,378</b>

**11. DIVIDENDS**

	<b>2021</b> £	<b>2020</b> £
Dividends paid on equity capital	2,500,000	-



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**12. TANGIBLE FIXED ASSETS**

	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>COST OR VALUATION</b>				
At 1 April 2020	424,860	17,134	64,605	506,599
Additions	-	-	5,665	5,665
At 31 March 2021	<u>424,860</u>	<u>17,134</u>	<u>70,270</u>	<u>512,264</u>
<b>DEPRECIATION</b>				
At 1 April 2020	288,113	16,725	56,705	361,543
Charge for the year on owned assets	34,218	82	4,477	38,777
At 31 March 2021	<u>322,331</u>	<u>16,807</u>	<u>61,182</u>	<u>400,320</u>
<b>NET BOOK VALUE</b>				
At 31 March 2021	<u>102,529</u>	<u>327</u>	<u>9,088</u>	<u>111,944</u>
At 31 March 2020	<u>136,747</u>	<u>409</u>	<u>7,900</u>	<u>145,056</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	<b>2021 £</b>	<b>2020 £</b>
Motor vehicles	<u>75,109</u>	<u>82,246</u>

**13. STOCKS**

	<b>2021 £</b>	<b>2020 £</b>
Raw materials and consumables	<u>158,908</u>	<u>163,055</u>

Stock recognised in cost of sales during the year as an expense was £4,147 (2020 - £70,617).

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**14. DEBTORS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade debtors	6,150,690	4,236,899
Other debtors	906,954	821,574
Prepayments	104,748	72,464
	<u>7,162,392</u>	<u>5,130,937</u>

Trade debtors includes £3,077,507 (2020 - £3,193,947) relating to amounts recoverable on long-term contracts.

**15. CASH AND CASH EQUIVALENTS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>1,759,198</u>	<u>2,916,919</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Dividends payable	20,000	44,000
Trade creditors	8,525,324	5,916,605
Corporation tax	-	108,375
Other taxation and social security	54,870	43,777
Obligations under finance lease and hire purchase contracts	17,757	16,757
Other creditors	146,064	118,464
Accruals and deferred income	79,141	63,214
	<u>8,843,156</u>	<u>6,311,192</u>

Trade creditors includes £4,513,268 (2020 - £3,442,204) in relation to costs accrued on long-term contracts.

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

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**NOTES TO THE FINANCIAL STATEMENTS**

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**17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	28,202	46,959
	<u>28,202</u>	<u>46,959</u>

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

**18. FINANCIAL INSTRUMENTS**

	2021 £	2020 £
<b>FINANCIAL ASSETS</b>		
Financial assets that are debt instruments measured at amortised cost	7,038,986	5,058,473
	<u>7,038,986</u>	<u>5,058,473</u>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	(8,816,488)	(6,205,999)
	<u>(8,816,488)</u>	<u>(6,205,999)</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.

**19. DEFERRED TAXATION**

	2021 £
Charged to profit or loss	(21,269)
<b>AT END OF YEAR</b>	<u>(21,269)</u>

The deferred taxation balance is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(21,269)	-
	<u>(21,269)</u>	<u>-</u>

**20. SHARE CAPITAL**

2021 £	2020 £
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**TNV CONSTRUCTION LIMITED**  
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**20. SHARE CAPITAL (CONTINUED)**

**ALLOTTED, CALLED UP AND FULLY PAID**

2,000 (2020 - 2,000) Ordinary shares of £1.00 each	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

**21. 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.

**22. 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 to the fund and amounted to £58,018 (2020 - £56,003). Contributions totalling £3,810 (2020 - £4,128) were payable to the fund at the balance sheet date

**23. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	25,884	33,033
Later than 1 year and not later than 5 years	18,239	44,123
	<u>44,123</u>	<u>77,156</u>

**24. TRANSACTIONS WITH DIRECTORS**

During the year, advances were granted to the director amounting to £6,111 (2020 - £1,447). Repayments of this advance were made during the period totalling £67,811 (2020 - £207,967), resulting in amounts owed to the directors by the Company of £66,220 (2020 - £4,520) at the balance sheet date. The balance is unsecured, interest free and repayable on demand.

**TNV CONSTRUCTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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**25. 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 2021 and balances outstanding as at 31 March 2021, are as follows:

	2021 £	2020 £
<b>Other related parties</b>		
Sales	222,473	22,230
Expenses	1,231,761	1,100,413
Amounts receivable	710,644	489,851
Amounts payable	395,123	252,520
	<u>2,449,998</u>	<u>1,865,014</u>

**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 £158,887 (2020 - £69,049).

**26. PARENT UNDERTAKINGS**

Up to the 14th March 2021, the company was owned by a number of shareholders, none of whom ultimately owned more than 25% of the issued share capital of the company. Accordingly there was no ultimate controlling party.

On 15 March 2021, the shares were transferred and Kanvel Holdings Limited, a company registered and incorporated in England and Wales, became the immediate and ultimate parent undertaking. As at the balance sheet date there continues to be no one controlling party.