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**DRYWALL SOLUTIONS UK LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**DRYWALL SOLUTIONS UK LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Mr E Meola Mr J Hesler Mr R Wardlaw Mr I Rusu Mr T Harris
<b>Registered number</b>	05478154
<b>Registered office</b>	Park Mill Burydell Lane Park Street St. Albans AL2 2EZ
<b>Independent auditor</b>	Barnes Roffe LLP Chartered Accountants  Statutory Auditor Leytonstone House Leytonstone London E11 1GA

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**DRYWALL SOLUTIONS UK LIMITED**

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STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2022

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**Introduction**

The Company's principal activity during the year continued to be construction related, including the screeding, drylining and system partitioning.

**Business review**

The directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. The review is consistent with the size and non-complex nature of the business. The directors consider the key financial performance indicators to be turnover, gross margin and net assets. Turnover and gross margin provide a good measure of the performance of the Company, whilst net assets demonstrate the financial strength of the Company.

Turnover increased by 73.7% (2021 – decreased by 30.4%), mainly due to a catch up in work from the previous year that had been delayed due to the pandemic, along with successfully winning new tenders. The Company's gross profit margin has also increased to 3.4% (2021 - 0.3%). Despite the marginal increase, it is not at the pre FY2021 level of around 10% to 15%, as projects have been impacted by inflationary increases in staff and materials costs, and increased use of subcontractors to help fulfil contracts. Furthermore, a hangover effect of Brexit led to supplier chain shortages within the industry, that in turn led to further increased costs of materials. The Company is still amidst a highly competitive market, but post year end results highlight a restoration of the margin.

The statement of financial position of the Company has reduced to £1.9m (2021 - £5.9m), which has mainly been due to a group restructure during the year. A dividend in specie of £3m which related to the Company's investment in Jessella Limited has been moved up to a new holding company, DWS Holdings Ltd. This £3m of balance sheet value is now in the books of DWS Holdings Limited. The remaining movement in the balance sheet position is a result of the current year loss. Looking ahead, the Company's business environment is expected to remain challenging. However, the directors consider initiatives in place should provide a conducive platform to capitalise on current and future opportunities.

The Board are confident in its assessment of going concern and have put measures in place to protect their staff and continue to operate as normal in the period ahead.

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

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**Principal risks and uncertainties**

The management of the business is subject to a number of risks. The key business risks and uncertainties are considered to relate to the current economic climate and competition from other construction companies in the industry. While the global economy remains in a time of uncertainty, consumer spending on projects have not held up since the year-end.

**Financial risk management**

The Company's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk and interest rate risk. The Company has in place a risk management program that seeks to limit adverse effects on the financial performance of the Company.

**Credit and liquidity risk**

The Company has limited exposure to credit risk by virtue of its client base. The cash balance at the year-end was £308.9k (2021 - £5.0m), however the Company has a CBILS loan of £4.38m (2021 - £5m) and bank overdraft of £837.9k (2021 - £168.3k) which weakens the liquidity position of the Company. Despite this, receipts recovered in the post year provides the Company with adequate working capital. The directors recognise the importance of funding and liquidity under the current economic climate and will continue to monitor the Company's financial resources to ensure that the Company is able to support its activities and future growth.

**Interest rate and cash flow risk**

The Company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include cash balances, which attract interest at the prevailing market rate. Interest bearing liabilities include bank loans and overdrafts which attract interest at fixed rates.

This report was approved by the board on 20 January 2023 and signed on its behalf.

**Mr J Hesler**

Director

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2022**

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

**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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The 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.

**Results and dividends**

The loss for the year, after taxation, amounted to £1,054,809 (2021 - loss £908,640).

During the year, the directors declared dividends of £3,000,100 (2021 - £360,000). All of the dividend was in respect of a dividend in specie up to the Group's new parent company, DWS Holdings Ltd, as part of the group restructure.

**Directors**

The directors who served during the year were:

Mr E Meola  
Mr J Hesler  
Mr R Wardlaw  
Mr I Rusu  
Mr T Harris

**Research and development activities**

The Company is involved in research and development activities aimed at discovering and creating new technological and innovative design solutions, to further drive forward the industry knowledge via projects with stringent architectural specifications as well as a range of site-specific challenges.

During the year, £351,134 (2021 - £249,750) was spent on research and development costs.

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**DRYWALL SOLUTIONS UK LIMITED**

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

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**Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditor**

The auditor, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 January 2023 and signed on its behalf.

**Mr J Hesler**

Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRYWALL SOLUTIONS UK LIMITED**

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**Opinion**

We have audited the financial statements of Drywall Solutions UK Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of comprehensive income, the Balance sheet, 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 loss 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRYWALL SOLUTIONS UK LIMITED (CONTINUED)

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**Other information**

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

We have nothing to report in this regard.

**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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRYWALL SOLUTIONS UK LIMITED (CONTINUED)

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**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with law and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussion with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- The specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and FRS102;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- Laws and regulations were communicated within the audit team at the planning meeting, and during the audit as any further laws and regulation were identified. The audit team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- Making enquires of management as to where they consider there was susceptibility to fraud and their knowledge of actual suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- Reviewing the financial statements and testing the disclosures against supporting documentation;
- Performing analytical procedures to identify any unusual or unexpected trends or anomalies;
- Inspecting and reviewing journal entries to identify unusual or unexpected transactions;
- Assessing whether judgement and assumptions made in determining significant accounting estimates were indicative of management bias; and
- Investigating the rationale behind significant transactions, or transactions that are unusual or outside the company's usual course of business.

The areas that we identified as being susceptible to misstatement through fraud were:

- Management bias in the estimates and judgements made;
- Management override of controls; and
- Posting of unusual journals or transactions.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRYWALL SOLUTIONS UK LIMITED (CONTINUED)

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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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Dodds (Senior Statutory Auditor)

for and on behalf of

**Barnes Roffe LLP**

Chartered Accountants

Statutory Auditor

Leytonstone House

Leytonstone

London

E11 1GA

20 January 2023

DRYWALL SOLUTIONS UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover	4	29,119,579	16,764,661
Cost of sales		(28,143,457)	(16,707,579)
<b>Gross profit</b>		<b>976,122</b>	<b>57,082</b>
Administrative expenses		(2,633,313)	(1,855,520)
Other operating income	5	-	72,305
<b>Operating loss</b>	6	<b>(1,657,191)</b>	<b>(1,726,133)</b>
Income from fixed assets investments	11	-	830,000
Interest payable and similar charges	12	(122,044)	(12,507)
<b>Loss before tax</b>		<b>(1,779,235)</b>	<b>(908,640)</b>
Tax on loss	13	724,426	-
<b>Loss for the financial year</b>		<b>£ (1,054,809)</b>	<b>£ (908,640)</b>

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

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

The notes on pages 12 to 28 form part of these financial statements.

**DRYWALL SOLUTIONS UK LIMITED**  
**REGISTERED NUMBER: 05478154**

**BALANCE SHEET**  
**AS AT 31 MARCH 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Fixed assets</b>			
Tangible assets	15	<b>39,931</b>	47,519
Investments	16	-	3,000,100
		<b>39,931</b>	<b>3,047,619</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	17	<b>14,180,412</b>	9,579,570
Cash at bank and in hand	18	<b>308,844</b>	5,000,082
		<b>14,489,256</b>	14,579,652
Creditors: amounts falling due within one year	19	<b>(10,742,291)</b>	(6,660,635)
<b>Net current assets</b>		<b>3,746,965</b>	7,919,017
<b>Total assets less current liabilities</b>		<b>3,786,896</b>	10,966,636
Creditors: amounts falling due after more than one year	20	<b>(1,876,625)</b>	(5,001,456)
<b>Net assets</b>		<b>£ 1,910,271</b>	<b>£ 5,965,180</b>
<b>Capital and reserves</b>			
Called up share capital	23	<b>100</b>	100
Profit and loss account	24	<b>1,910,171</b>	5,965,080
		<b>£ 1,910,271</b>	<b>£ 5,965,180</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 January 2023.

**Mr J Hesler**  
Director

The notes on pages 12 to 28 form part of these financial statements.

DRYWALL SOLUTIONS UK LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 April 2020</b>	100	7,233,720	7,233,820
<b>Comprehensive income for the year</b>			
Loss for the year	-	(908,640)	(908,640)
<b>Contributions by and distributions to owners</b>			
Dividends: Equity capital	£ -	£ (360,000)	£ (360,000)
<b>At 1 April 2021</b>	100	5,965,080	5,965,180
<b>Comprehensive income for the year</b>			
Loss for the year	-	(1,054,809)	(1,054,809)
<b>Contributions by and distributions to owners</b>			
Dividends: Equity capital	-	(3,000,100)	(3,000,100)
<b>At 31 March 2022</b>	<u>£ 100</u>	<u>£ 1,910,171</u>	<u>£ 1,910,271</u>

The notes on pages 12 to 28 form part of these financial statements.

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

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**1. General information**

Drywall Solutions UK Limited ("the Company") is a private company limited by shares, incorporated in England and Wales. Its registered office is Park Mill, Burydell Lane, Park Street, St Albans, AL2 2EZ.

The principal activity of the Company continued to be construction related, including the screeding, drylining and system partitioning.

**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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of DWS Holdings Ltd as at 31 March 2022 and these financial statements may be obtained from Park Mill, Burydell Lane, Park Street, St. Albans, England, AL2 2EZ.

**2.3 Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, with the continued support of Group companies. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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

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**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:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**Construction contracts**

Turnover for construction contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. The stage of completion is measured by reference to cost incurred to date as a percentage of total construction cost for each contract.

The amount of profit attributable to the stage of completion of a long term contract is only recognised when the outcome of the contract can be foreseen with reasonable certainty. Where the contract outcome cannot be measured reliably, turnover is recognised only to the extent of the costs recognised that are recoverable. Provisions are made for any losses as soon as they are foreseen.

**2.5 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.

**2.6 Leased assets: 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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**2. Accounting policies (continued)**

**2.7 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.8 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.

**2.9 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.

**2.10 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**2. Accounting policies (continued)**

**2.11 Taxation**

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.

**2.12 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, using the straight-line method.

Depreciation is provided on the following annual bases:

Motor vehicles	-	25%
Fixtures and fittings	-	20%

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.

**2.13 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**2. Accounting policies (continued)**

**2.14 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.

**2.15 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.

**2.16 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**2. Accounting policies (continued)**

**2.17 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 non-puttable 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

**2.18 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgments and estimates have had the most significant effect on amounts recognised in the financial statements:

**Amounts recoverable on contracts**

Included within Debtors are amounts in relation to 'Amounts recoverable on contracts'. This debtor represents amounts deemed recoverable by the group on contracts in respect of development sites, as determined by in-house surveyors.

These applications are subsequently approved by 3rd party certifications, whilst associated costs are matched during each respective period. However, there can be minor differences between the estimated applications made (as accrued into the accounts) and the amounts subsequently certified.

4. Turnover

The whole of the turnover is attributable to construction related activities.

All turnover arose within the United Kingdom.

5. Other operating income

	2022 £	2021 £
Government grants receivable	£ -	£ 72,305

6. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	23,513	23,157
Loss on disposal of fixed assets	2,604	-
Other operating lease rentals	53,893	54,328
Defined pension contribution cost	£ 24,462	£ 39,600

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DRYWALL SOLUTIONS UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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7. Research and development expenditure

Research and development expenditure charged as an expense during the year was made up as follows:

	2022 £	2021 £
<b>Non-staff costs</b>		
Unconnected subcontractor costs	100,268	149,158
	<hr/>	<hr/>
<b>Staff costs</b>		
Wages and salaries	221,548	89,055
Social security costs	25,458	9,972
Other pension costs	3,860	1,565
	<hr/>	<hr/>
	£ 250,866	£ 100,592
	<hr/>	<hr/>

8. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	10,000	10,000

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

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DRYWALL SOLUTIONS UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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9. Employees

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

	2022 £	2021 £
Wages and salaries	1,405,465	879,172
Social security costs	161,322	97,899
Cost of defined contribution scheme	24,462	39,600
	<u>£ 1,591,249</u>	<u>£ 1,016,671</u>

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

	2022 No.	2021 No.
Administration	<u>27</u>	<u>21</u>

10. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	284,344	8,784
Company contributions to defined contribution pension schemes	3,963	-
	<u>£ 288,307</u>	<u>£ 8,784</u>

During the year retirement benefits were accruing to no directors (2021 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £100,000 (2021 - £NIL).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,321 (2021 - £NIL).

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DRYWALL SOLUTIONS UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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11. Income from investments

	2022 £	2021 £
Dividends received from unlisted investments	£ <u>-</u>	£ <u>830,000</u>

12. Interest payable and similar charges

	2022 £	2021 £
Bank interest payable	£ <u>122,044</u>	£ <u>12,507</u>



DRYWALL SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

13. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	(724,426)	-
<b>Total current tax</b>	<b>£ (724,426)</b>	<b>£ -</b>
<b>Taxation on loss on ordinary activities</b>	<b>£ (724,426)</b>	<b>£ -</b>

**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 £
Loss on ordinary activities before tax	<u>£ (1,779,235)</u>	<u>£ (908,640)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(338,055)	(256,057)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	15,485	149,586
Capital allowances for year in excess of depreciation	(545)	1,522
Adjustments to tax charge in respect of prior periods	(724,426)	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(78,062)	-
Losses carried back	354,235	104,949
Group relief	46,942	-
<b>Total tax charge for the year</b>	<b>£ (724,426)</b>	<b>£ -</b>

**Factors that may affect future tax charges**

The Company has carried forward tax losses of £Nil (2021 - £Nil).

DRYWALL SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

14. Dividends

	2022 £	2021 £
Dividends declared	£ <u>3,000,100</u>	£ <u>360,000</u>

During the year, a £3,000,100 a dividend in specie was declared up to the Group's new parent company, DWS Holdings Ltd, as a part of group restructuring works.

15. Tangible fixed assets

	Motor vehicles £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1 April 2021	85,633	125,234	210,867
Additions	-	18,529	18,529
Disposals	(24,999)	-	(24,999)
At 31 March 2022	<u>60,634</u>	<u>143,763</u>	<u>204,397</u>
<b>Depreciation</b>			
At 1 April 2021	67,969	95,379	163,348
Charge for the year on owned assets	10,244	13,269	23,513
Disposals	(22,395)	-	(22,395)
At 31 March 2022	<u>55,818</u>	<u>108,648</u>	<u>164,466</u>
<b>Net book value</b>			
At 31 March 2022	£ <u>4,816</u>	£ <u>35,115</u>	£ <u>39,931</u>
<b>At 31 March 2021</b>	£ <u>17,664</u>	£ <u>29,855</u>	£ <u>47,519</u>

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

	2022 £	2021 £
Motor vehicles	£ <u>-</u>	£ <u>9,852</u>

**DRYWALL SOLUTIONS UK LIMITED**

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

**16. Fixed asset investments**

	<b>Other fixed asset investments £</b>
At 1 April 2021	<b>3,000,100</b>
Disposals	<b>(3,000,100)</b>
	<hr/>
At 31 March 2022	<b>£ -</b>

During the year, the Company disposed of its investment in subsidiary companies, Jessella Limited and Jessella Roofing Limited, via a dividend in specie up to parent company, DWS Holdings Ltd.

**17. Debtors**

	<b>2022 £</b>	<b>2021 £</b>
Trade debtors	<b>762,069</b>	2,214,313
Amounts owed by group undertakings	<b>6,085,198</b>	3,380,228
Other debtors	<b>1,022,027</b>	478,784
Prepayments and accrued income	<b>982,062</b>	310,255
Amounts recoverable on long-term contracts	<b>5,329,056</b>	3,195,990
	<hr/>	<hr/>
	<b>£ 14,180,412</b>	<b>£ 9,579,570</b>

**18. Cash and cash equivalents**

	<b>2022 £</b>	<b>2021 £</b>
Cash at bank and in hand	<b>308,844</b>	5,000,082
Less: bank overdrafts	<b>(837,883)</b>	(163,254)
	<hr/>	<hr/>
	<b>£ (529,039)</b>	<b>£ 4,836,828</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

19. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	837,883	163,254
Bank loans	2,500,000	-
Trade creditors	3,257,947	2,483,282
Corporation tax	-	265,134
Other taxation and social security	201,854	402,389
Obligations under finance lease and hire purchase contracts	-	7,596
Other creditors	410,724	1,386,053
Accruals and deferred income	44,859	44,411
Amounts payable on long term contracts	3,489,024	1,908,516
	<u>£ 10,742,291</u>	<u>£ 6,660,635</u>

**Secured creditors**

Bank overdrafts totalling £837,883 (2021 - £163,254) are repayable on demand and are secured by a fixed and floating charge.

20. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	1,876,625	5,000,000
Net obligations under finance leases and hire purchase contracts	-	1,456
	<u>£ 1,876,625</u>	<u>£ 5,001,456</u>

**Secured creditors**

Obligations under hire purchase contracts of £Nil (2021 - £9,052) are secured on the assets to which they relate.

Bank loans totalling £4,376,625 (2021 - £5,000,000) are secured by a fixed and floating charge, that covers all undertakings of the Group.

DRYWALL SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

**21. Loans**

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Bank loans	2,500,000	-
<b>Amounts falling due 1-2 years</b>		
Bank loans	1,876,625	2,500,000
<b>Amounts falling due 2-5 years</b>		
Bank loans	-	2,500,000
	<u>£ 4,376,625</u>	<u>£ 5,000,000</u>

**22. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	-	7,596
Between 1-5 years	-	1,456
	<u>£ -</u>	<u>£ 9,052</u>

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DRYWALL SOLUTIONS UK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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**23. Share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
24 (2021 - 24) Ordinary A shares of £1.00 each	24	24
26 (2021 - 26) Ordinary B shares of £1.00 each	26	26
24 (2021 - 24) Ordinary C shares of £1.00 each	24	24
26 (2021 - 26) Ordinary D shares of £1.00 each	26	26
	<hr/>	<hr/>
	£ 100	£ 100

All shares rank pari-passu in all respects.

During the year, a share for share exchange took place resulting in a new parent undertaking.

**24. Reserves**

**Profit and loss account**

The profit and loss account represents cumulative distributable profits and losses net of dividends and other adjustments.

**25. Contingent liabilities**

The Company is involved in legal disputes from time to time. The directors make provisions in the accounts to the extent that the potential liabilities are probable, can easily be quantified, and an economic outflow is expected, in accordance with FRS102 section 21.

**26. 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 £24,462 (2021 - £39,600). Contributions totalling £10,954 (2021 - £6,497) were payable to the fund at the balance sheet date and are included in creditors.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

**27. 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	10,136	24,006
Later than 1 year and not later than 5 years	-	6,525
	<u>£ 10,136</u>	<u>£ 30,531</u>

**28. Related party transactions**

The Company has taken advantage of the exemption from disclosing transactions with group companies,

available under FRS 102 (Section 33). The group publishes consolidated accounts.

During the year, the Company had transactions with connected parties, by virtue of directors in common, with total charges of £93,747 (2021 - £801,764) to connected entities. At the end of the year, the Company owed connected entities £442,832 (2021 - £1,358,820).

**29. Ultimate parent undertaking and controlling party**

The Company's ultimate parent undertaking and controlling party as at 31 March 2022 was DWS Holdings Ltd, a company registered in England and Wales. DWS Holdings Ltd prepares consolidated accounts which are available at Companies House.

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