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**DRYWALL SOLUTIONS UK LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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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
<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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GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2021

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## Introduction

The Group's principal activities during the year continued to be construction related, including the screeding, drylining and system partitioning and the provision of tested and bespoke building envelope solutions.

## 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 Group, whilst net assets demonstrate the financial strength of the Group.

The directors are satisfied with the results for the year, considering how much of the year in question was impacted by the pandemic. Turnover decreased by 26.9% (2020 – increased by 33.9%), largely due to the pandemic with certain projects put on hold due to the lockdown restrictions. The Group's gross profit margin has also reduced to 10% (2020 - 23.4%) as a result of the pandemic, where the Group increased its use of subcontractors that were deployed on sites to manage the various coronavirus related social distancing restrictions that were imposed at the start of the financial year. Furthermore, the pandemic and a hangover effect of Brexit led to supplier chain shortages within the industry, that in turn led to an increased costs of materials. The Group is still amidst a highly competitive market, but post year end results highlight a restoration of the margin in line with previous years.

The financial position of the group also continues to be strong. The group had a healthy net assets position at the year-end in excess of £4.8m (2020 - in excess of £6.4m). Looking ahead, the group'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 COVID-19 pandemic had a huge impact on the year under review, with the first lockdown starting one week before the the start of the year. The Group has been impacted in a variety of ways by the pandemic, as have many other businesses in the UK and worldwide, across all sectors. During the year, the Group made use of its internal resources and government support to continue to maintain and even grow its staff levels throughout the pandemic, which has helped set the group in a strong position to fulfil new upcoming contracts which were successfully tendered for since the year end. 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 (within the government guidelines) in the period ahead.

**GROUP STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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

**Credit and liquidity risk**

The Group has limited exposure to credit risk by virtue of its client base. The cash balance at the year-end was £6.36m (2020 - £46.9k), however the Company has a CBILS loan of £5m and bank overdraft of £163.3k which weakens the liquidity position of the group. Despite this, receipts recovered in the post year provides the group with adequate working capital. The directors recognise the importance of funding and liquidity under the current economic climate and will continue to monitor the group's financial resources to ensure that the group is able to support its activities and future growth.

**Interest rate and cash flow risk**

The Group 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.

**Post balance sheet events**

Post year end, the coronavirus pandemic has continued to impact many businesses across different industries.

The directors monitor the situation on an ongoing basis and continue to take appropriate action to protect customers, colleagues and the communities in which the Group operates by implementing the necessary steps, in-line with UK Government guidelines, to safeguard the business through the crisis. The directors consider that the Group has suitably robust plans and adequate financial resources to limit the impact that the coronavirus pandemic has had and uncertainties surrounding the economic recovery.

This report was approved by the board on 23 December 2021 and signed on its behalf.

**Mr J Hesler**  
Director

**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.

**Directors' responsibilities statement**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group'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 Group 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 the Group 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 the Group 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 £1,149,218 (2020 - profit £3,649,264).

During the year, the directors declared dividends of £351,000 (2020 - £2,480,000).

**Directors**

The directors who served during the year were:

Mr E Meola  
Mr J Hesler

**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 and the Group'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 and the Group's auditor is aware of that information.

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**DRYWALL SOLUTIONS UK LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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 23 December 2021 and signed on its behalf.

**Mr J Hesler**  
Director

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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 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company 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 Group's and of the parent Company's affairs as at 31 March 2021 and of the Group's 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 Group 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 Group's or the parent 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 Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent 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 Group 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, reviewing board minutes and inspecting legal correspondence;
- 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; and
- As auditors of all group companies we were able to cover the above matters at a group and component level and thereby ensure the audit team were aware of the above matters across all group companies.

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

23 December 2021

DRYWALL SOLUTIONS UK LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	4	37,088,707	50,739,930
Cost of sales		(33,395,955)	(40,771,223)
<b>Gross profit</b>		<b>3,692,752</b>	<b>9,968,707</b>
Administrative expenses		(5,176,933)	(4,935,955)
Other operating income	5	168,052	-
Exceptional other operating charges		-	(353,742)
<b>Operating (loss)/profit</b>	6	<b>(1,316,129)</b>	<b>4,679,010</b>
Interest payable and similar charges	10	(31,538)	(45,868)
<b>(Loss)/profit before taxation</b>		<b>(1,347,667)</b>	<b>4,633,142</b>
Tax on (loss)/profit	11	198,449	(983,878)
<b>(Loss)/profit for the financial year</b>		<b>£ (1,149,218)</b>	<b>£ 3,649,264</b>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the parent Company		(1,149,218)	3,649,264
		<b>£ (1,149,218)</b>	<b>£ 3,649,264</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

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

The notes on pages 17 to 34 form part of these financial statements.

DRYWALL SOLUTIONS UK LIMITED  
REGISTERED NUMBER: 05478154

CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	14	1,361,780	1,617,131
Tangible assets	15	215,047	264,547
		<u>1,576,827</u>	<u>1,881,678</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	17	14,041,379	14,327,738
Cash at bank and in hand	18	6,364,484	46,881
		<u>20,405,863</u>	<u>14,374,619</u>
Creditors: amounts falling due within one year	19	(11,992,423)	(9,711,650)
<b>Net current assets</b>		<u>8,413,440</u>	<u>4,662,969</u>
<b>Total assets less current liabilities</b>		<u>9,990,267</u>	<u>6,544,647</u>
Creditors: amounts falling due after more than one year	20	(5,099,283)	(144,445)
<b>Provisions for liabilities</b>			
<b>Net assets</b>		<u>£ 4,890,984</u>	<u>£ 6,400,202</u>
<b>Capital and reserves</b>			
Called up share capital	23	100	100
Profit and loss account	24	4,890,884	6,400,102
<b>Equity attributable to owners of the parent Company</b>		<u>£ 4,890,984</u>	<u>£ 6,400,202</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2021.

**Mr J Hesler**  
Director

The notes on pages 17 to 34 form part of these financial statements.

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

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	15	47,519	61,658
Investments	16	3,000,100	3,000,000
		<u>3,047,619</u>	<u>3,061,658</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	17	9,579,570	8,258,661
Cash at bank and in hand	18	5,000,082	837
		<u>14,579,652</u>	<u>8,259,498</u>
Creditors: amounts falling due within one year	19	(6,660,635)	(4,078,283)
<b>Net current assets</b>		<u>7,919,017</u>	<u>4,181,215</u>
<b>Total assets less current liabilities</b>		<u>10,966,636</u>	<u>7,242,873</u>
Creditors: amounts falling due after more than one year	20	(5,001,456)	(9,053)
<b>Net assets</b>		<u><u>£ 5,965,180</u></u>	<u><u>£ 7,233,820</u></u>
<b>Capital and reserves</b>			
Called up share capital	23	100	100
Profit and loss account brought forward		7,233,720	5,824,973
Loss/(profit) for the year		(908,640)	3,888,747
Dividends declared		(360,000)	(2,480,000)
		<u>5,965,080</u>	<u>7,233,720</u>
Profit and loss account carried forward		<u><u>£ 5,965,180</u></u>	<u><u>£ 7,233,820</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2021.

**Mr J Hesler**

Director

The notes on pages 17 to 34 form part of these financial statements.

DRYWALL SOLUTIONS UK LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 April 2019</b>	100	5,230,838	5,230,938
<b>Comprehensive income for the year</b>			
Profit for the year	-	3,649,264	3,649,264
<b>Contributions by and distributions to owners</b>			
Dividends: Equity capital	£ -	£ (2,480,000)	£ (2,480,000)
<b>At 1 April 2020</b>	100	6,400,102	6,400,202
<b>Comprehensive income for the year</b>			
Loss for the year	-	(1,149,218)	(1,149,218)
<b>Contributions by and distributions to owners</b>			
Dividends: Equity capital	-	(360,000)	(360,000)
<b>At 31 March 2021</b>	<u>£ 100</u>	<u>£ 4,890,884</u>	<u>£ 4,890,984</u>

The notes on pages 17 to 34 form part of these financial statements.

DRYWALL SOLUTIONS UK LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 April 2019</b>	100	5,824,973	5,825,073
<b>Comprehensive income for the year</b>			
Profit for the year	-	3,888,747	3,888,747
<b>Contributions by and distributions to owners</b>			
Dividends: Equity capital	£ -	£ (2,480,000)	£ (2,480,000)
<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 31 March 2021</b>	<u>£ 100</u>	<u>£ 5,965,080</u>	<u>£ 5,965,180</u>

The notes on pages 17 to 34 form part of these financial statements.



DRYWALL SOLUTIONS UK LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(1,149,218)	3,649,264
<b>Adjustments for:</b>		
Amortisation of intangible assets	255,351	255,351
Depreciation of tangible assets	84,148	35,292
Loss on disposal of tangible assets	-	(7,751)
Interest paid	31,538	45,868
Taxation charge	(198,449)	983,878
Decrease/(increase) in debtors	286,359	(5,063,043)
Increase in creditors	3,364,308	1,614,321
Corporation tax paid	(1,057,318)	(18,472)
<b>Net cash generated from operating activities</b>	<b>1,616,719</b>	<b>1,494,708</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(34,648)	(249,739)
Sale of tangible fixed assets	-	12,900
<b>Net cash from investing activities</b>	<b>(34,648)</b>	<b>(236,839)</b>

DRYWALL SOLUTIONS UK LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
<b>Cash flows from financing activities</b>		
New secured loans	5,000,000	-
Repayment of/new finance leases	(45,184)	189,649
Dividends paid	(351,000)	(2,480,000)
HP interest paid	(4,553)	-
Bank overdraft interest	(12,507)	(1,097)
Other interest payable	(14,478)	(44,771)
<b>Net cash used in financing activities</b>	<b>4,572,278</b>	<b>(2,336,219)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6,154,349</b>	<b>(1,078,350)</b>
Cash and cash equivalents at beginning of year	46,881	1,125,231
<b>Cash and cash equivalents at the end of year</b>	<b>£ 6,201,230</b>	<b>£ 46,881</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	6,364,484	46,881
Bank overdrafts	(163,254)	-
	<b>£ 6,201,230</b>	<b>£ 46,881</b>

The notes on pages 17 to 34 form part of these financial statements.

DRYWALL SOLUTIONS UK LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2021

	At 1 April 2020	Cash flows	Other non-cash changes	At 31 March 2021
	£	£	£	£
Cash at bank and in hand	46,881	1,364,402	4,953,201	6,364,484
Bank overdrafts	-	-	(163,254)	(163,254)
Debt due after 1 year	-	-	(5,000,000)	(5,000,000)
Debt due within 1 year	-	(590,528)	(1,633,043)	(2,223,571)
Finance leases	(189,649)	(135,413)	180,597	(144,465)
	<u>£ (142,768)</u>	<u>£ 638,461</u>	<u>£ (1,662,499)</u>	<u>£ (1,166,806)</u>

The notes on pages 17 to 34 form part of these financial statements.

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

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**1. General information**

Drywall Solutions UK Limited ("the Company") and its subsidiary companies (together "the Group") had the following principal activities during the year:

The principal activity of Drywall Solutions UK Limited continued to be construction related, including the screeding, drylining and system partitioning.

The principal activity of Jessella Limited continued to be of the provision of tested and bespoke building envelope solutions.

Jessella Roofing Limited was dormant for the period ended 31 March 2021.

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.

**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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

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

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**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group 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.

**2.4 Operating leases: the Group 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.

**2.5 Leased assets: the Group 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 2021

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**2. Accounting policies (continued)**

**2.6 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 Consolidated statement of comprehensive income in the same period as the related expenditure.

**2.7 Finance costs**

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

**2.8 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Group in independently administered funds.

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

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2. Accounting policies (continued)

2.9 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.11 Intangible assets

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

**Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.**

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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

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**2. Accounting policies (continued)**

**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.

**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.

In the Consolidated 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 Group's cash management.

**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 2021

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**2. Accounting policies (continued)**

**2.17 Financial instruments**

The Group 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 Consolidated 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 Group 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 2021

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

	2021 £	2020 £
Government grants receivable	£ 168,052	£ -

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2021 £	2020 £
Exceptional items	-	353,742
Amortisation of intangible assets	255,351	255,351
Depreciation of tangible fixed assets	84,148	35,292
Profit on disposal of fixed assets	-	(7,751)
Exchange differences	9,690	2,215
Other operating lease rentals	37,283	112,770
Defined pension contribution cost	£ 42,092	£ 68,581

DRYWALL SOLUTIONS UK LIMITED

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

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	£ <u>18,000</u>	£ <u>18,000</u>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Taxation compliance services	7,500	7,500
All other services	£ <u>74,451</u>	£ <u>54,850</u>

8. Employees

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	2,520,389	2,373,462	879,172	964,882
Social security costs	284,699	252,724	97,899	98,550
Cost of defined contribution scheme	66,092	68,581	39,600	41,384
	<u>£ 2,871,180</u>	<u>£ 2,694,767</u>	<u>£ 1,016,671</u>	<u>£ 1,104,816</u>

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
	<u>46</u>	<u>47</u>	<u>20</u>	<u>21</u>
Administration				

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	£ <u>8,784</u>	£ <u>8,628</u>

During the year retirement benefits were accruing to no directors (2020 - NIL) in respect of defined contribution pension schemes.

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DRYWALL SOLUTIONS UK LIMITED

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

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10. Interest payable and similar charges

	2021 £	2020 £
Bank interest payable	12,507	1,097
Hire purchase interest payable	4,553	-
Other interest payable	14,478	44,771
	<u>£ 31,538</u>	<u>£ 45,868</u>

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

11. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	983,878
Adjustments in respect of previous periods	(198,449)	-
<b>Total current tax</b>	<b>£ (198,449)</b>	<b>£ 983,878</b>
<b>Taxation on (loss)/profit on ordinary activities</b>	<b>£ (198,449)</b>	<b>£ 983,878</b>

**Factors affecting tax charge for the year**

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

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	<u>£ (1,347,667)</u>	<u>£ 4,633,142</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(256,057)	880,297
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	48,517	48,517
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	14,225	96,159
Capital allowances for year in excess of depreciation	8,240	(41,095)
Adjustments to tax charge in respect of prior periods	(198,449)	-
Unrelieved tax losses carried forward	185,075	-
<b>Total tax charge for the year</b>	<b>£ (198,449)</b>	<b>£ 983,878</b>

**Factors that may affect future tax charges**

The Group has carried forward tax losses of £974,077 (2020 - £Nil).

DRYWALL SOLUTIONS UK LIMITED

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

12. Dividends

	2021 £	2020 £
Dividends	£ <u>360,000</u>	£ <u>2,480,000</u>

13. Exceptional items

	2021 £	2020 £
Amounts due from connected companies written off	£ <u>-</u>	£ <u>353,742</u>

14. Intangible assets

Group

	Goodwill £
<b>Cost</b>	
At 1 April 2020	2,553,418
At 31 March 2021	<u>2,553,418</u>
<b>Amortisation</b>	
At 1 April 2020	936,287
Charge for the year on owned assets	255,351
At 31 March 2021	<u>1,191,638</u>
<b>Net book value</b>	
At 31 March 2021	£ <u>1,361,780</u>
<b>At 31 March 2020</b>	£ <u>1,617,131</u>

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

15. Tangible fixed assets

Group

	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2020	311,379	157,501	468,880
Additions	-	34,648	34,648
At 31 March 2021	311,379	192,149	503,528
<b>Depreciation</b>			
At 1 April 2020	105,581	98,752	204,333
Charge for the year on owned assets	11,176	23,239	34,415
Charge for the year on financed assets	49,733	-	49,733
At 31 March 2021	166,490	121,991	288,481
<b>Net book value</b>			
At 31 March 2021	£ 144,889	£ 70,158	£ 215,047
<b>At 31 March 2020</b>	£ 205,798	£ 58,749	£ 264,547

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

	2021 £	2020 £
Motor vehicles	£ 137,078	£ 191,736

DRYWALL SOLUTIONS UK LIMITED

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

15. Tangible fixed assets (continued)

Company

	Motor vehicles	Fixtures and fittings	Total
	£	£	£
<b>Cost</b>			
At 1 April 2020	85,633	116,216	201,849
Additions	-	9,018	9,018
	<u>85,633</u>	<u>125,234</u>	<u>210,867</u>
At 31 March 2021	85,633	125,234	210,867
<b>Depreciation</b>			
At 1 April 2020	56,793	83,398	140,191
Charge for the year on owned assets	11,176	11,981	23,157
	<u>67,969</u>	<u>95,379</u>	<u>163,348</u>
At 31 March 2021	67,969	95,379	163,348
<b>Net book value</b>			
At 31 March 2021	<u>£ 17,664</u>	<u>£ 29,855</u>	<u>£ 47,519</u>
<b>At 31 March 2020</b>	<u>£ 28,840</u>	<u>£ 32,818</u>	<u>£ 61,658</u>

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

	2021 £	2020 £
Motor vehicles	<u>£ 9,852</u>	<u>£ 14,778</u>



DRYWALL SOLUTIONS UK LIMITED

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

16. Fixed asset investments

Company

	Investment in subsidiaries £
<b>Cost</b>	
At 1 April 2020	3,000,000
Additions	100
At 31 March 2021	<u>3,000,100</u>
<b>Net book value</b>	
At 31 March 2021	£ <u>3,000,100</u>
At 31 March 2020	£ <u>3,000,000</u>

Subsidiary undertakings

The Company's subsidiary undertakings are Jessella Limited and Jessella Roofing Limited and their respective registered offices are in England and Wales. The Company owns a 95% holding in Jessella Limited and a 100% holding in Jessella Roofing Limited.

17. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	4,722,474	8,577,756	2,214,313	3,070,086
Amounts owed by group undertakings	-	-	3,380,228	2,915,228
Other debtors	795,448	576,394	478,784	365,311
Prepayments and accrued income	1,074,715	139,989	310,255	59,921
Amounts recoverable on long term contracts	7,448,742	5,033,599	3,195,990	1,848,115
	<u>£ 14,041,379</u>	<u>£ 14,327,738</u>	<u>£ 9,579,570</u>	<u>£ 8,258,661</u>

DRYWALL SOLUTIONS UK LIMITED

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

18. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	6,364,484	46,881	5,000,082	837
Less: bank overdrafts	(163,254)	-	(163,254)	-
	<u>£ 6,201,230</u>	<u>£ 46,881</u>	<u>£ 4,836,828</u>	<u>£ 837</u>

19. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	163,254	-	163,254	-
Trade creditors	6,631,672	4,956,203	2,483,282	1,470,260
Corporation tax	841,977	2,097,744	265,134	797,281
Other taxation and social security	625,020	500,623	402,389	297,432
Obligations under finance lease and hire purchase contracts	45,182	45,204	7,596	7,596
Other creditors	1,393,897	1,039,453	1,386,053	670,290
Accruals and deferred income	76,526	1,072,423	44,411	835,424
Amounts payable on long term contracts	2,214,895	-	1,908,516	-
	<u>£ 11,992,423</u>	<u>£ 9,711,650</u>	<u>£ 6,660,635</u>	<u>£ 4,078,283</u>

Secured creditors

Bank overdrafts totalling £163,254 (2020 - £Nil) are repayable on demand and are secured by a fixed and floating charge.

DRYWALL SOLUTIONS UK LIMITED

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

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	5,000,000	-	5,000,000	-
Net obligations under finance leases and hire purchase contracts	99,283	144,445	1,456	9,053
	<u>£ 5,099,283</u>	<u>£ 144,445</u>	<u>£ 5,001,456</u>	<u>£ 9,053</u>

**Secured creditors**

Obligations under hire purchase contracts of £144,465 (2020 - £189,649) are secured on the assets to which they relate.

Bank loans totalling £5,000,000 (2020 - £Nil) are secured by a fixed and floating charge, that covers all undertakings of the Group.

21. Loans

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>Amounts falling due 2-5 years</b>				
Bank loans	4,375,000	-	4,375,000	-
<b>Amounts falling due after more than 5 years</b>				
Bank loans	625,000	-	625,000	-
	<u>£ 5,000,000</u>	<u>£ -</u>	<u>£ 5,000,000</u>	<u>£ -</u>

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Within one year	45,182	45,204	7,596	7,596
Between 1-5 years	99,283	144,445	1,456	9,053
	<u>£ 144,465</u>	<u>£ 189,649</u>	<u>£ 9,052</u>	<u>£ 16,649</u>

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DRYWALL SOLUTIONS UK LIMITED

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

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**23. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
24 (2020 - 24) Ordinary A shares of £1.00 each	24	24
26 (2020 - 26) Ordinary B shares of £1.00 each	26	26
24 (2020 - 24) Ordinary C shares of £1.00 each	24	24
26 (2020 - 26) Ordinary D shares of £1.00 each	26	26
	<hr/>	<hr/>
	£ 100	£ 100

All shares rank pari-passu in all respects.

**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 Group 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 Group has a Group Personal Pension Scheme for staff. The assets of this defined contribution scheme are held separately from the Group, being invested with an insurance company. The pension costs represents contributions payable for the year of £42,092 (2020 - £68,581). Contributions totalling £13,836 (2020 - £10,061) were outstanding at the balance sheet date.

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

**27. Commitments under operating leases**

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

	<b>Group 2021 £</b>	<i>Group 2020 £</i>	<b>Company 2021 £</b>	<i>Company 2020 £</i>
Not later than 1 year	<b>24,006</b>	37,283	<b>24,006</b>	37,283
Later than 1 year and not later than 5 years	<b>6,525</b>	30,531	<b>6,525</b>	30,531
	<u><b>£ 30,531</b></u>	<u>£ 67,814</u>	<u><b>£ 30,531</b></u>	<u>£ 67,814</u>

**28. Related party transactions**

At the end of the year, connected entities owed the Group £13,099 (2020 - £182,302).

At the end of the year, the Group owed connected entities £1,330,671 (2020 - £572,591).

During the year, the Group had transactions with connected parties, by virtue of directors in common, with total charges of £937,897 (2020 - £1,214,000). All transactions were undertaken at market value.

**29. Post balance sheet events**

Subsequent to the year end the group undertook a reorganisation exercise with the resultant effect of a new ultimate parent undertaking being formed. With effect from July 2021 the new ultimate parent undertaking is DWS Holdings Ltd.

**30. Controlling party**

The Group regards E Meola and J Hesler to be the controlling parties.

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.