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**DRYWALL SOLUTIONS UK LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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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 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 auditors</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 2023

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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 decreased by 29.0% (2022 – increased by 73.7%), as a result of a timing reversal for jobs that had been delayed due to the pandemic, being completed in the prior year, with turnover being restored to normalised expected levels. The Company's gross profit margin has also increased to 16.2% (2022 - 3.4%) which shows a positive uplift following the impact of certain low margin work in the prior year as a result of 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 decreased to £1.7m (2022 - £1.9m), as a result of a steady year trading amidst managing the impact of its fellow subsidiary, Jessella Limited, entering administration in February 2023. Looking ahead, the Company's business environment is expected to remain challenging but positive as it continues to secure new pipeline work. 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 2023**

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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 in overdraft at £1,053.7k (2022 - £529.0k), in addition to the Company having a CBILS loan facility of £3.1m (2022 - £4.38m). The Company has continued to recover its receipts in good time, and manage their outgoing commitments, meaning the forecast cash position is looking positive and will provide 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 21 December 2023 and signed on its behalf.

**Mr J Hesler**

Director

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present their report and the financial statements for the year ended 31 March 2023.

**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 profit for the year, after taxation, amounted to £153,059 (2022 - loss £1,054,809).

During the year, the directors declared dividends of £336,000 (2022 - £3,000,100). In the prior year, all of the dividend was in respect of a dividend in specie up to the Group's 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 (resigned 30 June 2023)  
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, £Nil (2022 - £351,134) 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 2023**

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**Disclosure of information to auditors**

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

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

**Post balance sheet events**

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

**Auditors**

The auditors, 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 21 December 2023 and signed on its behalf.

**Mr J Hesler**

Director

**INDEPENDENT AUDITORS' 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 2023, 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 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



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

We have nothing to report in this regard.

**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 AUDITORS' REPORT TO THE MEMBERS OF DRYWALL SOLUTIONS UK LIMITED (CONTINUED)

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**Auditors' responsibilities for the audit of the financial statements**

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

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

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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including

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

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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 Auditors' report.

**Use of our report**

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

Adam Dodds (Senior Statutory Auditor)

for and on behalf of

**Barnes Roffe LLP**

Chartered Accountants

Statutory Auditor

Leytonstone House

Leytonstone

London

E11 1GA

22 December 2023

DRYWALL SOLUTIONS UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover	4	20,664,166	29,119,579
Cost of sales		(17,326,036)	(28,143,457)
<b>Gross profit</b>		<b>3,338,130</b>	<b>976,122</b>
Administrative expenses		(2,951,966)	(2,633,313)
<b>Operating profit/(loss)</b>	5	<b>386,164</b>	<b>(1,657,191)</b>
Interest payable and similar charges	9	(189,317)	(122,044)
<b>Profit/(loss) before tax</b>		<b>196,847</b>	<b>(1,779,235)</b>
Tax on profit/(loss)	10	(43,788)	724,426
<b>Profit/(loss) for the financial year</b>		<b>153,059</b>	<b>(1,054,809)</b>

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 12 to 24 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	12	29,798	39,931
		<u>29,798</u>	<u>39,931</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	13,128,327	14,180,412
Cash at bank and in hand	14	1,408	308,844
		<u>13,129,735</u>	<u>14,489,256</u>
Creditors: amounts falling due within one year	15	(9,232,578)	(10,742,291)
<b>Net current assets</b>		<u>3,897,157</u>	<u>3,746,965</u>
<b>Total assets less current liabilities</b>		<u>3,926,955</u>	<u>3,786,896</u>
Creditors: amounts falling due after more than one year	16	(2,199,625)	(1,876,625)
<b>Net assets</b>		<u><u>1,727,330</u></u>	<u><u>1,910,271</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	100	100
Profit and loss account	19	1,727,230	1,910,171
		<u><u>1,727,330</u></u>	<u><u>1,910,271</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2023.

**Mr J Hesler**

Director

The notes on pages 12 to 24 form part of these financial statements.

DRYWALL SOLUTIONS UK LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Profit and loss account £	Total equity £
<b>As restated 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 1 April 2022</b>	100	1,910,171	1,910,271
<b>Comprehensive income for the year</b>			
Profit for the year	-	153,059	153,059
Dividends: Equity capital	-	(336,000)	(336,000)
<b>At 31 March 2023</b>	100	1,727,230	1,727,330

The notes on pages 12 to 24 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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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 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 2023 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. Whilst the directors observe that excluding the intercompany debtor, the balance sheet is in a net liability position, they have considered the Group's post year end profitable trading and forecasts to December 2024.

The directors consider that they have strong relationships with their customer and supply chains, as well as the support of their bank. In the period since the year end, the Company has continued to meet its financial commitments and expects to continue to do so based on its 12 month forecasts. The directors are therefore in the opinion that the going concern assumption is considered appropriate for these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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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 2023

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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 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.

**2.9 Pensions**

**Defined contribution pension plan**

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

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

**2.10 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.11 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, fittings and equipment	-	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.

**2.12 Debtors**

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

**2.13 Cash and cash equivalents**

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

**2.14 Creditors**

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

**2.15 Financial instruments**

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

**Basic financial assets**

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.15 Financial instruments (continued)**

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

**Financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

**2.16 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 2023

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**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:

**Going concern**

In preparing the forecasts for considering the going concern basis, the directors have assumed that secured work will be undertaken as planned, and projects under tender will be secured.

**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.

**Recoverability of intercompany debtor**

The Company has a debtor due from its parent undertaking of £6,870,244, as disclosed in Note 13. Excluding this balance, the Company's net liabilities are in excess of its assets for the current and prior year. The directors have reviewed the Group's post year end management information and forecasts, and are of the opinion that this is considered recoverable in future periods based on expected profitability of the Company and its fellow subsidiary.

**Estimated margins**

In conjunction with the consideration of amounts recovered on contracts, the directors make an assessment on the estimated margin on a contract. The directors will consider the forecast margin for the full length of the contract, based on workings and valuations prepared by internal quantity surveyors and will accrue or defer costs based on these reports accordingly. Any forecast loss on a contract is accounted for in the earliest accounting period appropriate, in accordance with accounting standards.

**4. Turnover**

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

All turnover arose within the United Kingdom.

**DRYWALL SOLUTIONS UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**5. Operating profit/(loss)**

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>19,212</b>	23,513
Loss on disposal of fixed assets	-	2,604
Other operating lease rentals	<b>57,600</b>	53,893
Defined pension contribution cost	<b>29,462</b>	24,462

**6. Auditors' remuneration**

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditors for the audit of the Company's financial statements	<b>12,500</b>	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.

**7. Employees**

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,528,613</b>	1,405,465
Social security costs	<b>199,340</b>	161,322
Cost of defined contribution scheme	<b>29,462</b>	24,462
	<b>1,757,415</b>	1,591,249

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

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
Administration	<b>31</b>	27

DRYWALL SOLUTIONS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	298,096	284,344
Company contributions to defined contribution pension schemes	3,963	3,963
	<u>302,059</u>	<u>288,307</u>

During the year retirement benefits were accruing to no directors (2022 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £100,555 (2022 - £100,000).

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 (2022 - £1,321).

9. Interest payable and similar charges

	2023 £	2022 £
Bank interest payable	<u>189,317</u>	<u>122,044</u>

10. Taxation

	2023 £	2022 £
<b>Corporation tax</b>		
Current tax on profits for the year	43,788	-
Adjustments in respect of previous periods	-	(724,426)
<b>Total current tax</b>	<u>43,788</u>	<u>(724,426)</u>
<b>Tax on profit/(loss)</b>	<u>43,788</u>	<u>(724,426)</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit/(loss) on ordinary activities before tax	<u>196,847</u>	<u>(1,779,235)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	37,401	(338,055)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,886	15,485
Capital allowances for year in excess of depreciation	501	(545)
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
Group relief	-	46,942
<b>Total tax charge for the year</b>	<u><b>43,788</b></u>	<u><b>(724,426)</b></u>

Factors that may affect future tax charges

The Company has carried forward tax losses of £Nil (2022 - £Nil).

The tax rate for the current year is set at 19%. This is set to rise to 25% from April 2023 as enacted in the legislation.

11. Dividends

	2023 £	2022 £
Dividends analysis	<u>336,000</u>	<u>3,000,100</u>

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

12. Tangible fixed assets

	Motor vehicles £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1 April 2022	60,634	143,763	204,397
Additions	-	9,079	9,079
At 31 March 2023	60,634	152,842	213,476
<b>Depreciation</b>			
At 1 April 2022	55,818	108,648	164,466
Charge for the year on owned assets	4,816	14,396	19,212
At 31 March 2023	60,634	123,044	183,678
<b>Net book value</b>			
At 31 March 2023	-	29,798	29,798
<b>At 31 March 2022</b>	4,816	35,115	39,931



**DRYWALL SOLUTIONS UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**13. Debtors**

	<b>2023</b>	2022
	<b>£</b>	£
Trade debtors	550,219	762,069
Amounts owed by group undertakings	6,870,244	6,085,198
Other debtors	1,650,974	1,022,027
Prepayments and accrued income	170,349	982,062
Amounts recoverable on long term contracts	3,886,541	5,329,056
	<u>13,128,327</u>	<u>14,180,412</u>

**14. Cash and cash equivalents**

	<b>2023</b>	2022
	<b>£</b>	£
Cash at bank and in hand	1,408	308,844
Less: bank overdrafts	(1,055,075)	(837,883)
	<u>(1,053,667)</u>	<u>(529,039)</u>

**15. Creditors: Amounts falling due within one year**

	<b>2023</b>	2022
	<b>£</b>	£
Bank overdrafts	1,055,075	837,883
Bank loans	927,000	2,500,000
Trade creditors	2,136,430	3,257,947
Other taxation and social security	1,544,381	201,854
Amounts owed to group undertakings	558,334	-
Other creditors	707,875	410,724
Accruals and deferred income	31,968	44,859
Amounts payable on long term contracts	2,271,515	3,489,024
	<u>9,232,578</u>	<u>10,742,291</u>

**Secured creditors**

Bank overdrafts totalling £1,055,075 (2022 - £837,883) 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 2023

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

	2023 £	2022 £
Bank loans	<u>2,199,625</u>	<u>1,876,625</u>

**Secured creditors**

Bank loans totalling £3,126,625 (2022 - £4,376,625) are secured by a fixed and floating charge, that covers all undertakings of the Group.

17. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
<b>Amounts falling due within one year</b>		
Bank loans	927,000	2,500,000
<b>Amounts falling due 1-2 years</b>		
Bank loans	1,236,000	1,876,625
<b>Amounts falling due 2-5 years</b>		
Bank loans	963,625	-
	<u>3,126,625</u>	<u>4,376,625</u>

18. Share capital

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
24 (2022 - 24) Ordinary A shares of £1.00 each	24	24
26 (2022 - 26) Ordinary B shares of £1.00 each	26	26
24 (2022 - 24) Ordinary C shares of £1.00 each	24	24
26 (2022 - 26) Ordinary D shares of £1.00 each	26	26
	<u>100</u>	<u>100</u>

All shares rank pari-passu in all respects.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

19. Reserves

**Profit and loss account**

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

20. 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.

21. 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 £29,462 (2022 - £24,462). Contributions totalling £5,043 (2022 - £10,954) were payable to the fund at the balance sheet date and are included in creditors.

22. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	<u>2,788</u>	<u>10,136</u>

23. 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 £156,000 (2022 - £139,854) to connected entities. At the end of the year, the Company owed connected entities £304,705 (2022 - £442,832).

24. Controlling party

The Company's ultimate parent undertaking and controlling party as at 31 March 2023 was DWS Holdings Ltd, a company registered in England and Wales. DWS Holdings Ltd prepares consolidated accounts which are available at Companies House.



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