

Adams Holdings (N.Wales) Limited

Group Strategic Report,

Report of the Directors and

Consolidated Financial Statements

for the period

5 January 2021 to 30 November 2021

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for the period 5 January 2021 to 30 November 2021**

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Adams Holdings (N.Wales) Limited
Company Information
for the period 5 January 2021 to 30 November 2021

DIRECTORS:

Mr R T Adams
Mr S G Adams
Mrs B L Griffin

SECRETARY:

Mrs B Adams

REGISTERED OFFICE:

Unit 9, Tir Llwyd Enterprise Park
St Asaph Avenue
Kinmel Bay
Rhyl
LL18 5JZ

REGISTERED NUMBER:

13113517 (England and Wales)

AUDITORS:

Salisbury & Company Business Solutions Limited
Statutory Auditors
Chartered Accountants
Irish Square
Upper Denbigh Road
St Asaph
Denbighshire
LL17 0RN

**Group Strategic Report
for the period 5 January 2021 to 30 November 2021**

The directors present their strategic report of the company and the group for the period 5 January 2021 to 30 November 2021.

REVIEW OF BUSINESS

I am pleased to report that Adams Holdings (N.Wales) Limited group achieved a strong financial performance.

The principal activities of the group are those of design, manufacturing and installation of steel structures.

The group has faced huge challenges where the nature and scale of which have been unprecedented in recent times as the residual Covid and Brexit has put pressure on labour and material resources. The team managed the resources effectively with operational delivery remained strong, production successfully managed which resulted in most of our projects completed to schedule. The Group has a capable and motivated team who, alongside their usual duties, managed to step up and deliver extra hours when the workload increased.

Our construction services has a resilient and long standing relationship with the supply chain and the strength of these relationships assisted in managing the customers expectations, especially around steel prices, from what might otherwise have been a more significant effect. The same can be said for the relationships with customers where the workload volume has increased due to The Group agility and ability to adapt being prepared to flex stock to suit customers requirements.

Consistent with our strategy to grow activity, and managing the extra challenge of the running of the business the directors are pleased to announce a turnover of £9.327 million and Profit before tax of £63k.

PRINCIPAL RISKS AND UNCERTAINTIES

Having faced a global pandemic and Brexit, the company was starting to think that we could look forward to a period of normality and relative calm. The reality is quite different, given the huge impact caused by the Russian invasion of the Ukraine combined with interconnectivity of so many products and their prices. The company is facing even greater number of challenges given the uncertainties of petrol and energy prices which is estimated to exceed a 50% increase in 2022.

There has been also governmental impact whereas the government has increased the national insurance by 1.25%, removal of duty light red diesel from the construction industry and the increase in tax on dividend income.

There is also labour resource shortages throughout the country emanating from Brexit affecting not only steel industry but other industries also. We are hopeful that the government will encourage the return home of a sizeable proportion of EU sourced labour.

The Group is concerned with a slowdown in construction order across all markets as the financial viability of projects is pushed to the limit of commercial sense. Surprisingly, on a positive note, we are seeing public sector spending to continue to drive construction related demand, future prospects is strong with a strong order book and many healthy stream of workload opportunities in the pipeline. The Group has been a successful steel fabricator for a number of years with proven quality and efficiency and ever growing portfolio of customers with project work delivered and installed on time with attentive customer service that others struggle to match with the same level of credible knowledge and integrity. We see ourselves with a promising future.

DEVELOPMENT AND PERFORMANCE

There has been a delay in capital expenditure in FY2021 due to the impact of the pandemic and the focus to minimise cost which is consistent with the strategy to sustain until operating conditions normalise. In order to sustain workload volumes above FY21 levels, and ensure the longer-term benefits of an increased flow of profitable new orders, The Group has planned capital projects for the replacement of key machinery for FY2022 to keep the factory running smoothly, more effective and to a high standard.

Cash at bank and in hand stood at £0.9 million. The Group kept the loan provided by the two CBIL due to a climate of continued uncertainty.

Future prospects for the first half of FY2022 is much stronger compared to the performance FY2021, with a full order book and many enquiries.

The directors consider the results for the year and the financial position at the year end to be consistent with The Group strategy given current market conditions and increase in steel price.

We will look to continuing the development of our valued client base through partnering wherever possible. Cash flow is a key aim, to minimise reliance on external financial resources and interest charges, given potential market and economical uncertainties.

**Group Strategic Report
for the period 5 January 2021 to 30 November 2021**

KEY PERFORMANCE INDICATORS

We provide high satisfaction level with a real focus on customer through listening, understanding and responding which in turn results in customer loyalty which is critical to a long term relationship and many years of repeated business due to our performance. This work is combined with close management of profitable work with positive cashflow lead by sustainability, innovation and lean operations. We ensure competitiveness by efficiency, cost management and reliable suppliers. There is no doubt that the construction industry is a complex and increasingly challenging sector in which to operate successfully. The Group aspirations for the company remains strong.

ON BEHALF OF THE BOARD:

Mrs B L Griffin - Director

23 August 2022

**Report of the Directors
for the period 5 January 2021 to 30 November 2021**

The directors present their report with the financial statements of the company and the group for the period 5 January 2021 to 30 November 2021.

INCORPORATION

The group was incorporated on 5 January 2021 and commenced trading on the same date.

DIVIDENDS

No interim dividends were paid during the period on any of the shares.

The directors recommend a final dividend per share as follows:

Ordinary B £1	- £3000
Ordinary C £1	- £8500
Ordinary D £1	- £9000

The total distribution of dividends for the period ended 30 November 2021 will be £ 315,000 .

DIRECTORS

The directors shown below have held office during the whole of the period from 5 January 2021 to the date of this report.

Mr R T Adams
Mr S G Adams
Mrs B L Griffin

All the directors, being eligible, offer themselves for election at the forthcoming first Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Salisbury & Company Business Solutions Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mrs B L Griffin - Director

23 August 2022

Report of the Independent Auditors to the Members of Adams Holdings (N.Wales) Limited

Opinion

We have audited the financial statements of Adams Holdings (N.Wales) Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 November 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, 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 affairs as at 30 November 2021 and of the group's profit for the period 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 and 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

Opinions 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 Report of the Directors.

We have nothing to report in respect of the following matters where 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.

Report of the Independent Auditors to the Members of Adams Holdings (N.Wales) Limited

Responsibilities of directors

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

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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Report of the Auditors to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Report of the Auditors. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Adams Holdings (N.Wales) Limited**

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 a Report of the Auditors 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.

Aled Roberts (Senior Statutory Auditor)
for and on behalf of Salisbury & Company Business Solutions Limited
Statutory Auditors
Chartered Accountants
Irish Square
Upper Denbigh Road
St Asaph
Denbighshire
LL17 0RN

23 August 2022

**Consolidated
Statement of Comprehensive
Income
for the period 5 January 2021 to 30 November 2021**

	Notes	£
TURNOVER	3	9,327,162
Cost of sales		<u>(7,780,841)</u>
GROSS PROFIT		1,546,321
Administrative expenses		<u>(1,543,484)</u>
		2,837
Other operating income		<u>62,537</u>
OPERATING PROFIT	5	65,374
Interest payable and similar expenses	6	<u>(1,938)</u>
PROFIT BEFORE TAXATION		63,436
Tax on profit	7	<u>(12,551)</u>
PROFIT FOR THE FINANCIAL PERIOD		50,885
OTHER COMPREHENSIVE INCOME		<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>50,885</u></u>
Profit attributable to: Owners of the parent		<u><u>50,885</u></u>
Total comprehensive income attributable to: Owners of the parent		<u><u>50,885</u></u>

Adams Holdings (N.Wales) Limited (Registered number: 13113517)

**Consolidated Balance Sheet
30 November 2021**

	Notes	£	£
FIXED ASSETS			
Intangible assets	10		1,677,337
Tangible assets	11		40,780
Investments	12		-
			<u>1,718,117</u>
CURRENT ASSETS			
Stocks	13	474,156	
Debtors	14	2,553,693	
Cash at bank and in hand		<u>899,884</u>	
		3,927,733	
CREDITORS			
Amounts falling due within one year	15	<u>2,464,687</u>	
NET CURRENT ASSETS			<u>1,463,046</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,181,163
CREDITORS			
Amounts falling due after more than one year	16		(437,500)
PROVISIONS FOR LIABILITIES	20		<u>(7,748)</u>
NET ASSETS			<u><u>2,735,915</u></u>
CAPITAL AND RESERVES			
Called up share capital	21		10,030
Share premium	22		2,990,000
Retained earnings	22		<u>(264,115)</u>
SHAREHOLDERS' FUNDS	26		<u><u>2,735,915</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 August 2022 and were signed on its behalf by:

Mrs B L Griffin - Director

Adams Holdings (N.Wales) Limited (Registered number: 13113517)

**Company Balance Sheet
30 November 2021**

	Notes	£	£
FIXED ASSETS			
Intangible assets	10		-
Tangible assets	11		40,780
Investments	12		<u>3,000,000</u>
			3,040,780
CURRENT ASSETS			
Debtors	14	30	
Cash at bank		<u>80</u>	
		110	
CREDITORS			
Amounts falling due within one year	15	<u>83,159</u>	
NET CURRENT LIABILITIES			<u>(83,049)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,957,731
PROVISIONS FOR LIABILITIES	20		<u>7,748</u>
NET ASSETS			<u><u>2,949,983</u></u>
CAPITAL AND RESERVES			
Called up share capital	21		10,030
Share premium	22		2,990,000
Retained earnings	22		<u>(50,047)</u>
SHAREHOLDERS' FUNDS	26		<u><u>2,949,983</u></u>
Company's profit for the financial year			<u><u>154,953</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 August 2022 and were signed on its behalf by:

Mrs B L Griffin - Director

The notes form part of these financial statements

**Consolidated Statement of Changes in Equity
for the period 5 January 2021 to 30 November 2021**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Changes in equity				
Issue of share capital	10,030	-	2,990,000	3,000,030
Dividends	-	(315,000)	-	(315,000)
Total comprehensive income	-	50,885	-	50,885
Balance at 30 November 2021	10,030	(264,115)	2,990,000	2,735,915

**Company Statement of Changes in Equity
for the period 5 January 2021 to 30 November 2021**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Changes in equity				
Issue of share capital	10,030	-	2,990,000	3,000,030
Dividends	-	(205,000)	-	(205,000)
Total comprehensive income	-	154,953	-	154,953
Balance at 30 November 2021	10,030	(50,047)	2,990,000	2,949,983

Adams Holdings (N.Wales) Limited (Registered number: 13113517)

**Consolidated Cash Flow Statement
for the period 5 January 2021 to 30 November 2021**

	Notes	£
Cash flows from operating activities		
Cash generated from operations	1	(335,704)
Interest paid		(1,938)
Tax paid		<u>14,276</u>
Net cash from operating activities		<u>(323,366)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets		(87,573)
Sale of tangible fixed assets		<u>2,001</u>
Net cash from investing activities		<u>(85,572)</u>
Cash flows from financing activities		
New loans in year		250,000
Loan repayments in year		(12,500)
Cash introduced into group		1,123,756
Loan introduced into group		250,000
Amount introduced by directors		343,416
Amount withdrawn by directors		(330,850)
Equity dividends paid		<u>(315,000)</u>
Net cash from financing activities		<u>1,308,822</u>
Increase in cash and cash equivalents		<u>899,884</u>
Cash and cash equivalents at beginning of period	2	-
Cash and cash equivalents at end of period	2	<u><u>899,884</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the period 5 January 2021 to 30 November 2021**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	£
Profit before taxation	63,436
Depreciation charges	228,506
Loss on disposal of fixed assets	2,656
Amounts owed to participating interest	(412,753)
Finance costs	1,938
	<u>(116,217)</u>
Increase in stocks	(474,156)
Increase in trade and other debtors	(2,140,908)
Increase in trade and other creditors	2,395,577
Cash generated from operations	<u><u>(335,704)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 30 November 2021

	30/11/21 £	5/1/21 £
Cash and cash equivalents	<u>899,884</u>	<u>-</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 5/1/21 £	Cash flow £	At 30/11/21 £
Net cash			
Cash at bank and in hand	-	899,884	899,884
	<u>-</u>	<u>899,884</u>	<u>899,884</u>
Debt			
Debts falling due within 1 year	-	(50,000)	(50,000)
Debts falling due after 1 year	-	(437,500)	(437,500)
	<u>-</u>	<u>(487,500)</u>	<u>(487,500)</u>
Total	<u>-</u>	<u>412,384</u>	<u>412,384</u>

**Notes to the Consolidated Financial Statements
for the period 5 January 2021 to 30 November 2021**

1. STATUTORY INFORMATION

Adams Holdings (N.Wales) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The presentational and function currency of these financial statements is pound sterling. Monetary amounts in these financial statements are rounded to the nearest £.

Going Concern

Before the start of the year end the World Health Organisation (WHO) declared Covid-19 as a worldwide pandemic. In relation to this the directors have reviewed the group's performance and all other considerations, and as a result believe that the going concern basis is reasonable.

Significant judgements and estimates

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. In the opinion of the directors there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Long-term contracts

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2021, is being amortised evenly over its estimated useful life of ten years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on reducing balance

Notes to the Consolidated Financial Statements - continued
for the period 5 January 2021 to 30 November 2021

2. ACCOUNTING POLICIES - continued

Government grants

Grants in respect of fixed assets are treated as deferred income and credited to the profit and loss account over the estimated life of the relevant assets.

Grants relating to revenue costs are credited to the profit and loss account so as to match them with the costs to which they are intended to contribute.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Hire purchase and leasing commitments

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

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Consolidated Financial Statements - continued
for the period 5 January 2021 to 30 November 2021

2. ACCOUNTING POLICIES - continued

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost.

Provisions for liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Retentions

Retention recognition policy follows that of BIM51520 - include retentions within turnover, provide for the estimated cost of remedial work, and make provision for any debt impairment.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

4. EMPLOYEES AND DIRECTORS

	£
Wages and salaries	971,526
Social security costs	347,680
Other pension costs	142,266
	<u>1,461,472</u>

The average number of employees during the period was as follows:

Directors	3
Management and admin	15
Workshop and site crew	34
	<u>52</u>

	£
Directors' remuneration	<u>26,468</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	£
Hire of plant and machinery	415,211
Other operating leases	41,572
Depreciation - owned assets	42,135
Loss on disposal of fixed assets	2,656
Goodwill amortisation	186,371
Auditors' remuneration	24,280
Auditors' remuneration for non audit work	<u>6,867</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	£
Bank loan interest	<u>1,938</u>

Notes to the Consolidated Financial Statements - continued
for the period 5 January 2021 to 30 November 2021

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

	£
Current tax:	
UK corporation tax	39,155
R&D tax credit	<u>(17,551)</u>
Total current tax	21,604
Deferred tax	<u>(9,053)</u>
Tax on profit	<u>12,551</u>

UK corporation tax has been charged at 19 % .

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	£
Profit before tax	<u>63,436</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 %	12,053
Effects of:	
Depreciation in excess of capital allowances	33,860
R&D tax credit	(17,551)
Profit on disposal	505
Losses carried forward	507
Pro rating profit and loss on consolidation	<u>(16,823)</u>
Total tax charge	<u>12,551</u>

8. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	£
Ordinary B shares of £1 each	
Interim	85,000
Ordinary C shares of £1 each	
Interim	120,000
Ordinary D shares of £1 each	
Interim	<u>110,000</u>
	<u>315,000</u>

Notes to the Consolidated Financial Statements - continued
for the period 5 January 2021 to 30 November 2021

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
Additions	1,863,708
At 30 November 2021	<u>1,863,708</u>
AMORTISATION	
Amortisation for period	186,371
At 30 November 2021	<u>186,371</u>
NET BOOK VALUE	
At 30 November 2021	<u><u>1,677,337</u></u>

11. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
Additions	60,759	12,497	14,316	87,572
Disposals	<u>(144)</u>	<u>-</u>	<u>(4,513)</u>	<u>(4,657)</u>
At 30 November 2021	<u>60,615</u>	<u>12,497</u>	<u>9,803</u>	<u>82,915</u>
DEPRECIATION				
Charge for period	35,640	4,044	2,451	42,135
At 30 November 2021	<u>35,640</u>	<u>4,044</u>	<u>2,451</u>	<u>42,135</u>
NET BOOK VALUE				
At 30 November 2021	<u><u>24,975</u></u>	<u><u>8,453</u></u>	<u><u>7,352</u></u>	<u><u>40,780</u></u>

Company

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
Additions	60,759	12,497	14,316	87,572
Disposals	<u>(144)</u>	<u>-</u>	<u>(4,513)</u>	<u>(4,657)</u>
At 30 November 2021	<u>60,615</u>	<u>12,497</u>	<u>9,803</u>	<u>82,915</u>
DEPRECIATION				
Charge for period	35,640	4,044	2,451	42,135
At 30 November 2021	<u>35,640</u>	<u>4,044</u>	<u>2,451</u>	<u>42,135</u>
NET BOOK VALUE				
At 30 November 2021	<u><u>24,975</u></u>	<u><u>8,453</u></u>	<u><u>7,352</u></u>	<u><u>40,780</u></u>

Notes to the Consolidated Financial Statements - continued
for the period 5 January 2021 to 30 November 2021

12. FIXED ASSET INVESTMENTS**Company**

Shares in
group
undertakings
£

COST

At 5 January 2021
and 30 November 2021

3,000,000

NET BOOK VALUE

At 30 November 2021
At 4 January 2021

3,000,000

3,000,000

13. STOCKS**Group**

£

Stocks

3,000

Work-in-progress

471,156

474,156

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**Group**

£

Company

£

Trade debtors

265,129

-

Applications/retentions

1,514,617

-

Amounts owed by group undertakings

2

-

Amounts owed by participating interests

412,753

-

Other debtors

30

30

VAT

232,559

-

Prepayments and accrued income

128,603

-

2,553,693

30

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**Group**

£

Company

£

Bank loans and overdrafts (see note 17)

50,000

-

Trade creditors

2,307,933

-

Amounts owed to group undertakings

-

83,159

Tax

39,155

-

Social security and other taxes

31,551

-

Other creditors

890

-

Directors' loan accounts

12,566

-

Accruals and deferred income

22,592

-

2,464,687

83,159

Notes to the Consolidated Financial Statements - continued
for the period 5 January 2021 to 30 November 2021

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

	Group £
Bank loans (see note 17)	187,500
Other loans (see note 17)	250,000
	<u>437,500</u>

17. **LOANS**

An analysis of the maturity of loans is given below:

	Group £
Amounts falling due within one year or on demand:	
Bank loans	<u>50,000</u>
Amounts falling due between one and two years:	
Bank loans - 1-2 years	<u>50,000</u>
Amounts falling due between two and five years:	
Bank loans - 2-5 years	137,500
Other loans	44,131
Other loans - 1-2 years	58,079
Other loans - 2-5 years	147,790
	<u>387,500</u>

18. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group	Non- cancellable operating leases £
Within one year	42,579
Between one and five years	100,242
	<u>142,821</u>

19. **SECURED DEBTS**

An unlimited debenture dated 10/12/2012 incorporating a fixed and floating charge on EvadX Limited.

Other facilities covered by the debenture

Commercial Charge Card
Electronic funds transfer (P C Pay)
Electronic funds transfer (Telepay)

Notes to the Consolidated Financial Statements - continued
for the period 5 January 2021 to 30 November 2021

20. PROVISIONS FOR LIABILITIES

	Group £	Company £
Deferred tax	<u>7,748</u>	<u>7,748</u>
Group		
		Deferred tax £
Provided during period		<u>7,748</u>
Balance at 30 November 2021		<u>7,748</u>
Company		
		Deferred tax £
Provided during period		<u>7,748</u>
Balance at 30 November 2021		<u>7,748</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid		Nominal value:	£
Number: Class:			
10,000 Ordinary A		£1	10,000
10 Ordinary B		£1	10
10 Ordinary C		£1	10
10 Ordinary D		£1	10
			<u>10,030</u>

22. RESERVES

Group	Retained earnings £	Share premium £	Totals £
Profit for the period	50,885		50,885
Dividends	(315,000)		(315,000)
Bonus share issue	-	2,990,000	2,990,000
At 30 November 2021	<u>(264,115)</u>	<u>2,990,000</u>	<u>2,725,885</u>
Company			
	Retained earnings £	Share premium £	Totals £
Profit for the period	154,953		154,953
Dividends	(205,000)		(205,000)
Bonus share issue	-	2,990,000	2,990,000
At 30 November 2021	<u>(50,047)</u>	<u>2,990,000</u>	<u>2,939,953</u>

**Notes to the Consolidated Financial Statements - continued
for the period 5 January 2021 to 30 November 2021**

23. PENSION COMMITMENTS

The company operates a defined contribution 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.

24. RELATED PARTY DISCLOSURES

The property at Tir Llwyd Enterprise Park is owned by the pension company, which is controlled by the directors.

During the year, rent of £62,500 (2020: £62,500) was invoiced from the pension company.

As at 30th November 2021 £NIL (2020: £28,125) rent was outstanding and included within trade creditors.

Mr R T Adams, Mr S G Adams and Mrs B L Griffin are also directors of Adams Properties (N.Wales) Limited.

During the year Adams Properties (N.Wales) Limited rented machinery to Evadx Ltd, the total amount of rent paid during the year was £6,440 (2020: £6,440).

During the year Evadx Ltd paid expenses of £375 (2020: £2,621) on behalf of Adams Properties (N.Wales) Limited.

During the year Evadx Ltd received £375 (2020: £NIL) from Adams Properties (N.Wales) Limited.

During the year Evadx Ltd loaned £NIL (2020: £NIL) to Adams Properties (N.Wales) Limited.

As at 30th November 2021 the total amount outstanding was £412,753 (2020: £412,753).

25. ULTIMATE CONTROLLING PARTY

Ultimate control of the company lies with the directors and their families who, between them, own the issued share capital.

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	£
Profit for the financial period	50,885
Dividends	(315,000)
	(264,115)
Purchase of subsidiary shares	3,000,030
Net addition to shareholders' funds	2,735,915
Opening shareholders' funds	-
Closing shareholders' funds	2,735,915
Equity interests	2,735,915

Notes to the Consolidated Financial Statements - continued
for the period 5 January 2021 to 30 November 2021

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	£
Profit for the financial period	154,953
Dividends	(205,000)
	(50,047)
Purchase of subsidiary shares	3,000,030
Net addition to shareholders' funds	2,949,983
Opening shareholders' funds	-
Closing shareholders' funds	2,949,983
Equity interests	2,949,983

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.