

**DAVICON MEZZANINE FLOORS LIMITED**

**Strategic Report, Report of the Directors and**

**Audited Financial Statements for the Year Ended 31 March 2021**

**Contents of the Financial Statements  
for the Year Ended 31 March 2021**

---

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>4</b>
<b>Report of the Independent Auditors</b>	<b>6</b>
<b>Statement of Comprehensive Income</b>	<b>9</b>
<b>Balance Sheet</b>	<b>10</b>
<b>Statement of Changes in Equity</b>	<b>11</b>
<b>Notes to the Financial Statements</b>	<b>12</b>

## DAVICON MEZZANINE FLOORS LIMITED

Company Information  
for the Year Ended 31 March 2021

---

**DIRECTORS:**

P Watson  
D K Kettleborough  
J D Grove

**REGISTERED OFFICE:**

The Wallows Industrial Estate  
Fens Pool Avenue  
Brierley Hill  
West Midlands  
DY5 1QA

**REGISTERED NUMBER:**

07014080 (England and Wales)

**AUDITORS:**

Haslehursts Limited  
Statutory Auditor  
88 Hill Village Road  
Sutton Coldfield  
West Midlands  
B75 5BE

**Strategic Report  
for the Year Ended 31 March 2021**

---

The directors present their strategic report for the year ended 31 March 2021.

**REVIEW OF BUSINESS**

The principal activity of the business continues to be the design, manufacture, supply and installation of mezzanine floors and associated support steelwork.

As the recognised brand for quality mezzanine floors, support steelwork and integrated mezzanine solutions, with over 40 years' experience supplying to customers exclusively through a professional network of distributors we have continued to focus on our unique proposition in that we're the only supplier who manufacture mezzanine floors and support steelwork in-house, using the latest 3D-CAD/NC technology. This, coupled with the talents of our highly experienced design team, means that Davicon is able to exactly match customer requirements, offer competitive quotations, reduced lead times and complete control over the quality and delivery of its products.

We have continued to see significant opportunities in the market based on our one stop shop offer in design manufacture and installation. This along with CE certification and significant Professional Indemnity insurance means that customers trust and now know that we will deliver projects on time to the high technically demanding criteria.

Turnover in the year to 31 March 2021 was £16,497,691 an increase of 12% over the previous year, along with an operating profit of £1,084,894. This growth in revenue is in line with our expectations and validates the strategy being followed by the business. Overall operating margins remain at expected levels. However, the company's results were impacted by one uniquely challenging contract that commenced in January 2021 and was completed in September 2021. Following a third government lockdown of the UK commencing January 2021, this contract was badly affected by COVID-related material and labour supply chain delays. As a result, the Directors feel it necessary to make a provision for a loss on this contract of £996,172 in the year under review. The contract continued to be challenging for a number of reasons in the following financial year to 31st March 2022 and as a result a smaller provision will also be necessary during that year. The underlying operational and financial performance the business remains unaffected despite the challenges on this particular contract and the business is expected to deliver ongoing profitability in line with historical performance going forward.

We start the new financial year with a significant order book and solid pipeline. E-commerce continues to be a significant area of expansion for us and with this arena continuing to grow we expect to see further opportunities year after year as this market sector continues to expand both at home and abroad.

**Strategic Report  
for the Year Ended 31 March 2021**

---

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks to the company are around the general economic conditions of both the UK and wider European economies and the effect this has on the demand for our end users' products and thus the demand for the infrastructure we provide.

The company manages competitive trading risk by combining value pricing with strong project management to ensure that, whatever changes occur, the customer's projects are delivered on time and in full.

Input costs are subject to global economic forces, however, through positive supplier relationships we can minimise any impact this may have.

Credit risk is managed by pre-arrangement of credit terms and keeping within credit limits advised by our credit insurance company. Where the risk is considered high, advance payments will be requested before any expenditure is committed.

**Covid-19 global pandemic**

The details of the global pandemic are now well known. The company remained fully operational throughout the year complying with all government restrictions and legislation to ensure the continued safety of its employees and all stakeholders.

However, in early 2021 the global effects of the pandemic began to affect our supply chain with subsequent increase in lead times and costs. However, due to the partnership nature of our supply chain relationships these were minimised wherever possible, with minimal effect on our performance.

**FINANCIAL KEY PERFORMANCE INDICATORS**

The directors of the company monitor key performance indicators on an ongoing basis, particularly in relation to sales levels, contract margins and forward order book to ensure that the company continually adapts to these demands.

**IN SUMMARY**

This year has again seen a positive operating result allowing the company to consolidate its financial position. However, the directors recognise that only by continuing on the strategic path we have followed for a number of years will the company continue to maintain this level of performance.

**ON BEHALF OF THE BOARD:**

P Watson - Director

22 December 2021

**Report of the Directors  
for the Year Ended 31 March 2021**

---

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the design, manufacture, supply and installation of mezzanine floors and associated support steelwork.

**DIVIDENDS**

There is no recommended final dividend.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

P Watson  
D K Kettleborough  
J D Grove

Other changes in directors holding office are as follows:

P D Copp - resigned 31 December 2020  
L R Litwinowicz - resigned 31 December 2020

M Hickinbottom ceased to be a director after 31 March 2021 but prior to the date of this report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the 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), 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**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 company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Report of the Directors  
for the Year Ended 31 March 2021**

---

**AUDITORS**

The auditors, Haslehursts Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

P Watson - Director

22 December 2021

### **Opinion**

We have audited the financial statements of Davicon Mezzanine Floors Limited (the 'company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and 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 company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 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 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 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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:

We obtained an understanding of the company's legal and regulatory framework and the industry in which it operates. We considered the risk of acts by the company that might have contravened applicable laws and regulations, including fraud. Our audit procedures were designed to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by way of forgery, intentional representations or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and third party company representatives. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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 Report of the Auditors.

**Report of the Independent Auditors to the Members of  
Davicon Mezzanine Floors 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.

Thomas Haslehurst (Senior Statutory Auditor)  
for and on behalf of Haslehursts Limited  
Statutory Auditor  
88 Hill Village Road  
Sutton Coldfield  
West Midlands  
B75 5BE

22 December 2021

**DAVICON MEZZANINE FLOORS LIMITED (REGISTERED NUMBER: 07014080)**

**Statement of Comprehensive Income  
for the Year Ended 31 March 2021**

	Notes	2021 £	2020 £
<b>TURNOVER</b>		16,497,691	14,705,730
Cost of sales		<u>(12,640,712)</u>	<u>(11,230,825)</u>
<b>GROSS PROFIT</b>		3,856,979	3,474,905
Administrative expenses		<u>(2,872,849)</u>	<u>(2,866,657)</u>
		984,130	608,248
Other operating income	4	<u>100,764</u>	<u>-</u>
<b>OPERATING PROFIT</b>	6	1,084,894	608,248
Loss on contract	7	<u>(996,172)</u>	<u>-</u>
		88,722	608,248
Interest receivable and similar income		<u>4,048</u>	<u>11,758</u>
		92,770	620,006
Interest payable and similar expenses	8	<u>(542)</u>	<u>-</u>
<b>PROFIT BEFORE TAXATION</b>		92,228	620,006
Tax on profit	9	<u>-</u>	<u>(119,270)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		92,228	500,736
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>92,228</u>	<u>500,736</u>

The notes form part of these financial statements

**DAVICON MEZZANINE FLOORS LIMITED (REGISTERED NUMBER: 07014080)**

**Balance Sheet**  
**31 March 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	11	609,181	547,310
Investments	12	3,500,100	200
		<u>4,109,281</u>	<u>547,510</u>
<b>CURRENT ASSETS</b>			
Stocks	13	169,005	203,161
Debtors	14	10,159,216	4,055,818
Cash at bank and in hand		1,203,384	3,003,584
		<u>11,531,605</u>	<u>7,262,563</u>
<b>CREDITORS</b>			
Amounts falling due within one year	15	(7,408,359)	(4,083,446)
<b>NET CURRENT ASSETS</b>		<u>4,123,246</u>	<u>3,179,117</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,232,527	3,726,627
<b>PROVISIONS FOR LIABILITIES</b>	17	(996,172)	-
<b>NET ASSETS</b>		<u>7,236,355</u>	<u>3,726,627</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	14,360	10,000
Share premium	19	3,495,640	-
Other reserves	19	102,392	102,392
Retained earnings	19	3,623,963	3,614,235
<b>SHAREHOLDERS' FUNDS</b>		<u>7,236,355</u>	<u>3,726,627</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22 December 2021 and were signed on its behalf by:

P Watson - Director

**Statement of Changes in Equity**  
**for the Year Ended 31 March 2021**

	Called up share capital £	Retained earnings £	Share premium £	Other reserves £	Total equity £
<b>Balance at 1 April 2019</b>	10,000	3,273,499	-	102,392	3,385,891
<b>Changes in equity</b>					
Dividends	-	(160,000)	-	-	(160,000)
Total comprehensive income	-	500,736	-	-	500,736
<b>Balance at 31 March 2020</b>	10,000	3,614,235	-	102,392	3,726,627
<b>Changes in equity</b>					
Issue of share capital	4,360	-	3,495,640	-	3,500,000
Dividends	-	(82,500)	-	-	(82,500)
Total comprehensive income	-	92,228	-	-	92,228
<b>Balance at 31 March 2021</b>	14,360	3,623,963	3,495,640	102,392	7,236,355

**Notes to the Financial Statements  
for the Year Ended 31 March 2021**

---

**1. STATUTORY INFORMATION**

Davicon Mezzanine Floors 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 Company Information page.

**2. STATEMENT OF COMPLIANCE**

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.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

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

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

- the requirements of Section 7 Statement of Cash Flows.

**Preparation of consolidated financial statements**

The financial statements contain information about Davicon Mezzanine Floors Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Davicon Group Limited, The Wallows Industrial Estate, Fens Pool Avenue, Brierley Hill, West Midlands, England, DY5 1QA.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Turnover**

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

**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	- 10% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

**Government grants**

Government grants have been recognised under the accruals model. Government grants relating to revenue expenditure are recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

---

3. **ACCOUNTING POLICIES - continued**

**Stocks and long term contracts**

Stock is stated at the lower of cost, which includes both direct costs and labour, and net realisable value.

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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 year 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.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**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.

**Pension costs and other post-retirement benefits**

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.

**Goodwill and negative goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life. Negative goodwill is included in the financial statements as a capital reserve and is not amortised. This is otherwise than in accordance with FRS102 which requires negative goodwill to be disclosed on the face of the balance sheet, immediately below the goodwill heading. This treatment has been adopted as, in the view of the directors, this results in the financial statements showing a true and fair view.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

## 4. OTHER OPERATING INCOME

	2021 £	2020 £
Management charges received	60,000	-
Government grants	40,764	-
	<u>100,764</u>	<u>-</u>

## 5. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	2,099,645	2,009,239
Social security costs	225,848	212,008
Other pension costs	243,295	220,974
	<u>2,568,788</u>	<u>2,442,221</u>

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

	2021	2020
Production	14	13
Administration	31	29
Directors	4	4
	<u>49</u>	<u>46</u>

	2021 £	2020 £
Directors' remuneration	374,266	360,455
Directors' pension contributions to money purchase schemes	<u>62,141</u>	<u>62,928</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2021	2020
Money purchase schemes	<u>3</u>	<u>4</u>

Information regarding the highest paid director is as follows:

	2021 £	2020 £
Emoluments etc	118,701	110,709
Pension contributions to money purchase schemes	<u>19,954</u>	<u>19,460</u>



**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2021**

**6. OPERATING PROFIT**

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

	2021	2020
	£	£
Other operating leases	124,395	116,202
Depreciation - owned assets	77,763	94,272
Loss on disposal of fixed assets	100	-
Auditors remuneration	12,543	7,504
Foreign exchange differences	<u>8,372</u>	<u>(606)</u>

**7. EXCEPTIONAL ITEMS**

	2021	2020
	£	£
Loss on contract	<u>(996,172)</u>	<u>-</u>

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2021	2020
	£	£
Bank interest	<u>542</u>	<u>-</u>

**9. TAXATION****Analysis of the tax charge**

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	-	141,394
Prior year adjustment	<u>-</u>	<u>(22,124)</u>
Tax on profit	<u>-</u>	<u>119,270</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

9. **TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

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

	2021 £	2020 £
Profit before tax	<u>92,228</u>	<u>620,006</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	17,523	117,801
Effects of:		
Expenses not deductible for tax purposes	1,431	15,624
Capital allowances in excess of depreciation	(18,954)	-
Depreciation in excess of capital allowances	-	7,679
Adjustments to tax charge in respect of previous periods	-	(22,124)
General provisions adjustment	-	290
Total tax charge	<u>-</u>	<u>119,270</u>

10. **DIVIDENDS**

	2021 £	2020 £
B Ordinary shares of £1 each		
Interim	<u>82,500</u>	<u>160,000</u>

11. **TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2020	748,854	57,761	259,854	1,066,469
Additions	134,819	-	4,815	139,634
Disposals	-	-	(9,969)	(9,969)
At 31 March 2021	<u>883,673</u>	<u>57,761</u>	<u>254,700</u>	<u>1,196,134</u>
<b>DEPRECIATION</b>				
At 1 April 2020	280,774	47,635	190,750	519,159
Charge for year	42,040	7,529	28,194	77,763
Eliminated on disposal	-	-	(9,969)	(9,969)
At 31 March 2021	<u>322,814</u>	<u>55,164</u>	<u>208,975</u>	<u>586,953</u>
<b>NET BOOK VALUE</b>				
At 31 March 2021	<u>560,859</u>	<u>2,597</u>	<u>45,725</u>	<u>609,181</u>
At 31 March 2020	<u>468,080</u>	<u>10,126</u>	<u>69,104</u>	<u>547,310</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

## 12. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
<b>COST</b>	
At 1 April 2020	200
Additions	3,500,000
Disposals	(100)
At 31 March 2021	<u>3,500,100</u>
<b>NET BOOK VALUE</b>	
At 31 March 2021	<u>3,500,100</u>
At 31 March 2020	<u>200</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**DMF Projects Limited**

Registered office: The Wallows Industrial Estate, Fens Pool Avenue, Brierley Hill, West Midlands, DY5 1QA

Nature of business: Construction project management

	%
Class of shares:	holding
Ordinary shares of £1	100.00

**Trison Holdings Limited**

Registered office: The Wallows Industrial Estate, Fens Pool Avenue, Brierley Hill, West Midlands, DY5 1QA

Nature of business: Holding company

	%
Class of shares:	holding
Ordinary shares of £1	100.00

## 13. STOCKS

	2021 £	2020 £
Raw materials	164,421	199,356
Work-in-progress	4,584	3,805
	<u>169,005</u>	<u>203,161</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

14. **DEBTORS**

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	3,510,601	2,631,430
Bad debt provision	(10,625)	(10,625)
Amounts owed by group undertakings	4,296,659	381,172
Amounts recoverable on contract	1,903,988	673,465
Other debtors	1,942	1,514
Tax	113,443	-
Prepayments	287,288	261,872
	<u>10,103,296</u>	<u>3,938,828</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>55,920</u>	<u>116,990</u>
Aggregate amounts	<u>10,159,216</u>	<u>4,055,818</u>

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

	2021 £	2020 £
Payments on account	1,095,280	1,284,980
Trade creditors	4,154,281	1,581,372
Amounts owed to group undertakings	1,030,768	231,711
Corporation tax	-	32,574
Social security and other taxes	213,190	84,907
VAT	486,827	415,200
Other creditors	18,165	19,791
Accrued expenses	409,848	432,911
	<u>7,408,359</u>	<u>4,083,446</u>

16. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	11,466	162,482
Between one and five years	<u>156,953</u>	<u>64,851</u>
	<u>168,419</u>	<u>227,333</u>

17. **PROVISIONS FOR LIABILITIES**

	2021 £	2020 £
Other provisions		
Loss on contract	<u>996,172</u>	<u>-</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

## 18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£	£
10,770	A Ordinary	£1	10,770	7,500
3,590	B Ordinary	£1	3,590	2,500
			<u>14,360</u>	<u>10,000</u>

The following fully paid shares were allotted during the year at a premium as shown below:

3,270 A Ordinary shares of £1 each at £801.7523 per share

1,090 B Ordinary shares of £1 each at £801.7523 per share

## 19. RESERVES

	Retained earnings £	Share premium £	Other reserves £	Totals £
At 1 April 2020	3,614,235	-	102,392	3,716,627
Profit for the year	92,228			92,228
Dividends	(82,500)			(82,500)
Cash share issue	-	3,495,640	-	3,495,640
At 31 March 2021	<u>3,623,963</u>	<u>3,495,640</u>	<u>102,392</u>	<u>7,221,995</u>

**Other reserves****Negative goodwill**

Balance at 1 April 2020 & at 31 March 2021

102,392

## 20. CONTINGENT LIABILITIES

Under a composite guarantee and debenture dated 8 December 2020, a loan to Davicon Group Limited, the ultimate parent company, is secured on the assets of the company by way of fixed and floating charges.

## 21. RELATED PARTY DISCLOSURES

**Key management personnel of the entity or its parent (in the aggregate)**

	2021 £	2020 £
Dividends paid	<u>82,500</u>	<u>160,000</u>

Key management personnel have been identified as the directors of the company and their remuneration is disclosed in note 5 of the financial statements.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

21. **RELATED PARTY DISCLOSURES - continued**

**Other related parties**

	2021 £	2020 £
Sales	-	960
Purchases	-	1,053,939
Recharges to	-	9,252
Interest received from	-	11,758
Amount due from related party	-	498,162
Amount due to related party	-	230,727

22. **ULTIMATE CONTROLLING PARTY**

There is no single ultimate controlling party.

23. **ULTIMATE PARENT COMPANY**

Davicon Group Limited is regarded by the directors as being the company's ultimate parent company. The consolidated accounts can be obtained from the following address: The Wallows Industrial Estate, Fens Pool Avenue, Brierley Hill, West Midlands, England, DY5 1QA.

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.