

Company registration number: NI025833

Western Building Systems Ltd

Financial statements

30 April 2021

Western Building Systems Ltd

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Western Building Systems Ltd

Directors and other information

Directors

Mr Martin McCloskey
Mrs Nora McCloskey
Mr Declan McCloskey
Mrs Melissa Canavan
Mr Rory McGuigan

Secretary

Mrs Nora McCloskey

Company number

NI025833

Registered office

11 Mountjoy Road
Coalisland
Dungannon
Co. Tyrone
BT71 5DQ

Business address

11 Mountjoy Road
Coalisland
Dungannon
Co. Tyrone
BT71 5DQ

Auditor

Corr & Corr
2nd Floor, The Cornmill
Coalisland
Dungannon
Co. Tyrone
BT71 4LP

Bankers

Allied Irish Bank
18 - 20 Scotch Street
Dungannon
Co. Tyrone
BT70 1AZ

Solicitors

PA Duffy Solicitors
5 - 7 Irish Street
Dungannon
Co. Tyrone
BT70 1JW

Catherine Allison & Co. Solicitors
6 Roden Place
Dundalk
Co.Louth
A91 K265

Western Building Systems Ltd

Strategic report

Year ended 30 April 2021

The directors present their strategic report for the year ended 30th April 2021.

Principal activities

The principal activity of the company is modular building solutions and off-site construction. The company is primarily involved in the Commercial buildings, Education and Health sectors.

Development and Performance

The financial results for the year ended 30 April 2021 were considered satisfactory, set against a background of increased competition in the market and reduced margins. The company continues to focus on the Education, Health & Commercial construction sectors. The outlook for the 2021/22 year is encouraging, and company directors expect performance to be in line with 2021.

Results

Please refer to the statement of income and retained earnings for results, which are in line with company budget. The company's financial position at the end of the year shows a healthy profit and loss reserve of £11,164,210

Key Performance Indicators - Financial & Non- Financial

The directors consider that the key financial performance indicators are those that communicate the financial position and strength of the company, these being turnover, gross profit margin and operating profit. Turnover for the year decreased to £38,636,616 (2020:£42,779,435) the gross profit margin has increased to 12% (2020: 10.8%). The company's operating profit decreased to £949,962 (2020: £1,854,104). The company's non-financial key performance indicators include customer service, skilled personnel, health and safety and employee satisfaction. The Board of Directors have assessed the performance of non-financial KPI, and consider their performance consistent with expectations.

Principal Risks and Uncertainties

The company risks and uncertainties include euro exchange rates, controlling costs, maintaining sales levels along with the economic recovery in the construction sector. The issue to be resolved in respect of Brexit will also have an effect on the company. There is a risk, as with all companies, that the effects of the COVID19 pandemic will impact negatively on the companies trade. The company have put in place processes to mitigate any risk and are confident of their ability to continue to trade positively despite the underlying economic conditions.

Financial risk management objectives and policies

The company finances its operations through retained profits and cash at bank. Management's objectives are to retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due.

As the company's surplus funds are primarily invested in sterling bank accounts, this limits exposure to price risk. However, the company is exposed to price risk in connection with certain sales and purchases being denominated in foreign currencies. This exposes the company to the uncertainty of exchange rate movements. The company enters into appropriate forward rate contracts to mitigate this risk.

Health and Safety

The company is committed to achieving the highest practicable standards in health and safety and strives to ensure that all equipment and premises are safe for customers and employees alike.

Environment

The company recognises its responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation and to prevent pollution.

This report was approved by the board of directors on 17 November 2021 and signed on behalf of the board by:

Mr Martin McCloskey

Director

Western Building Systems Ltd

Directors report

Year ended 30 April 2021

The directors present their report and the financial statements of the company for the year ended 30 April 2021.

Directors

The directors who served the company during the year were as follows:

Mr Martin McCloskey

Mrs Nora McCloskey

Mr Declan McCloskey

Mrs Melissa Canavan

Mr Rory McGuigan

Dividends

No dividends were paid during the year to parent company Western Building Systems (Hld) Ltd. Please refer to note 13 for details.

Future developments

The directors are not expecting to make any significant changes to the nature of the business in the near future.

ROI High Court litigation has been instigated against the Company by the Department of Education in relation to the alleged building defects in a large number of ROI schools. This litigation involves multiple Defendants and third parties as well as the Company. The Company are vigorously defending the litigation together with their insurers and do not accept that they have any liability. The information usually required by paragraph 21.15 of FRS 102 is not disclosed, because the Directors believe the required disclosure is impracticable and that to do so would prejudice the outcome of the litigation and/or insurance position.

The Company has also issued multiple separate proceedings against the Department of Education for sums due pursuant to completed Contracts in a total sum in excess of €3.5 million.

Employee involvement

Within the bounds of commercial confidentiality, management disseminates information to all levels of staff about matters that affect the progress of the company and are of interest and concern to them as employees. Employees and their representatives are consulted to ensure their views can be taken into account in the decision making process. The company continues to be committed to increasing the involvement of employees in the drive to improve performance.

Financial instruments

Where there is significant exposure to fluctuations in the exchange rates of foreign currencies the company enters into appropriate forward contracts to mitigate the risk.

The company finances its operations through a mixture of retained profits and cash at bank. The company's exposure to interest rate fluctuations is therefore limited.

Other matters

The company is actively involved in several research and development activities throughout the product development and production process.

Disclosure of information in the strategic report.

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. It has done so in respect of future developments and financial instruments.

Directors responsibilities statement

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' 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 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; and
- make judgments and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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.

Directors Confirmation

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and -
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Independent Auditor

The auditor's Corr & Corr is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 17 November 2021 and signed on behalf of the board by:

Mr Martin McCloskey

Director

Western Building Systems Ltd

Independent auditor's report to the members of

Western Building Systems Ltd

Year ended 30 April 2021

Opinion

We have audited the financial statements of Western Building Systems Ltd (the 'company') for the year ended 30 April 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows 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 FRS 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 30 April 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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Emphasis of matter

We draw your attention to Note 29 of the Financial Statements, which describes the efforts of ongoing litigation against the company. Our opinion is not modified in respect of this matter.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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 has 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 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 the 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, 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: Based on our understanding of the company and industry, we identified the principal risks of non-compliance with laws and regulations relating to Western Building Systems Ltd, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined the principal risks. Audit procedures performed to assess and review these risks. There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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, for example, forgery or intentional misrepresentations, or through collusion. 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 auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment 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 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 auditor's report 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 auditor's report. 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.

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.

Brendan Corr (Senior Statutory Auditor)

For and on behalf of

Corr & Corr

Chartered Accountants and Registered Auditors

2nd Floor, The Cornmill

Coalisland

Dungannon

Co. Tyrone

BT71 4LP

17 November 2021

Western Building Systems Ltd

Statement of comprehensive income

Year ended 30 April 2021

		2021	2020
	Note	£	£
Turnover	5	38,636,616	42,779,435
Cost of sales		(33,995,029)	(38,148,770)
		<u>4,641,587</u>	<u>4,630,665</u>
Gross profit			
Administrative expenses		(3,816,483)	(2,776,561)
Other operating income	6	124,858	-
		<u>949,962</u>	<u>1,854,104</u>
Operating profit	7		
Other interest receivable and similar income	10	2,308	10,439
Interest payable and similar expenses	11	3,001	2,274
Profit before taxation		955,271	1,866,817
Tax on profit	12	6,356	(387,131)
		<u>961,627</u>	<u>1,479,686</u>
Profit for the financial year and total comprehensive income			

All the activities of the company are from continuing operations.

Western Building Systems Ltd

Statement of financial position

30 April 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	159,382	304,270
Tangible assets	15	244,030	402,265
		<u>403,412</u>	<u>706,535</u>
Current assets			
Stocks	16	7,719,232	7,326,321
Debtors:			
Amounts falling due after more than one year	17	744,272	871,130
Amounts falling due within one year	17	1,135,590	725,759
Cash at bank and in hand		6,818,990	6,250,790
		<u>16,418,084</u>	<u>15,174,000</u>
Creditors: amounts falling due within one year	19	(5,557,707)	(3,571,074)
Net current assets		<u>10,860,377</u>	<u>11,602,926</u>
Total assets less current liabilities		<u>11,263,789</u>	<u>12,309,461</u>
Provisions for liabilities	20	(59,577)	(66,877)
Net assets		<u>11,204,212</u>	<u>12,242,584</u>
Capital and reserves			
Called up share capital	25	40,002	40,002
Profit and loss account	26	11,164,210	12,202,582
Shareholders		<u>11,204,212</u>	<u>12,242,584</u>

funds

These financial statements were approved by the board of directors and authorised for issue on 17 November 2021
, and are signed on behalf of the board by:

Mr Martin McCloskey Mr Declan McCloskey

Director Director

Company registration number: NI025833

Western Building Systems Ltd**Statement of changes in equity****Year ended 30 April 2021**

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 May 2019	40,002	10,722,896	10,762,898
Profit for the year		1,479,686	1,479,686
Total comprehensive income for the year	<u>-</u>	<u>1,479,686</u>	<u>1,479,686</u>
At 30 April 2020 and 1 May 2020	40,002	12,202,582	12,242,584
Profit for the year		961,627	961,627
Total comprehensive income for the year	<u>-</u>	<u>961,627</u>	<u>961,627</u>
Dividends paid and payable		(2,000,000)	(2,000,000)
Total investments by and distributions to owners	<u>-</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>
At 30 April 2021	<u>40,002</u>	<u>13,164,209</u>	<u>13,204,211</u>

Western Building Systems Ltd

Statement of cash flows

Year ended 30 April 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit for the financial year		961,627	1,479,686
<i>Adjustments for:</i>			
Depreciation of tangible assets		77,503	99,610
Amortisation of intangible assets		144,888	144,888
Government grant income		(124,858)	-
Other interest receivable and similar income		(2,308)	(10,439)
Interest payable and similar expenses		(3,001)	(2,274)
Gain/(loss) on disposal of tangible assets		(20,934)	-
Tax on profit		(6,356)	387,131
Accrued expenses/(income)		(159,986)	156,137
<i>Changes in:</i>			
Stocks		(392,911)	(4,555,358)
Trade and other debtors		(356,242)	2,077,579
Trade and other creditors		2,290,709	(1,270,651)
Cash generated from operations		2,408,131	(1,493,691)
Interest paid		3,001	2,274
Interest received		2,308	10,439
Tax paid		(207,164)	(442,810)
Net cash from/(used in) operating activities		2,206,276	(1,923,788)
Cash flows from investing activities			
Purchase of tangible assets		(31,634)	(87,950)
Proceeds from sale of tangible assets		133,300	-
Net cash from/(used in) investing activities		101,666	(87,950)
Cash flows from financing activities			
Proceeds from borrowings		62,130	23,358
Proceeds from loans from group undertakings		73,270	(74,486)
Government grant income		124,858	-
Equity dividends paid		(2,000,000)	-
Net cash used in financing activities		(1,739,742)	(51,128)
Net increase/(decrease) in cash and cash equivalents		568,200	(2,062,866)

Cash and cash equivalents at beginning of year	18	6,250,790	8,313,656
Cash and cash equivalents at end of year	18	<u>6,818,990</u>	<u>6,250,790</u>

Western Building Systems Ltd

Notes to the financial statements

Year ended 30 April 2021

1. General information

The company is a private company limited by shares, registered in Northern Ireland. The address of the registered office is 11 Mountjoy Road, Coalisland, Dungannon, Co. Tyrone, BT71 5DQ.

2. Statement of compliance

These financial statements have been prepared in compliance with United Kingdom Accounting Standard, including FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss. The financial statements are prepared in sterling, which is the functional and presentational currency of the entity.

Going concern

The company made a healthy profit during the year ended 30 April 2021 and at that date the company's assets exceeded its liabilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformance with FRS 102 requires management to make judgements, estimates and assumptions that affect the amounts reported. Management believes that the estimates, assumptions and judgements upon which it relies are reasonable based on the information available at the time that those estimates, assumptions and judgements are made. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Turnover

Turnover is measured at the fair value of consideration received or receivable and represents the amount derived from the provision of goods and services falling within the company's ordinary activities net of value added tax and trade discounts. In respect of long-term contracts, turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value together with profit. Profit is recognised on long term contracts if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. 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 capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 10 % straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Research and development

Research expenditure is written off in the year in which it is incurred. Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met: - It is technically feasible to complete the intangible asset so that it will be available for use or sale; - There is the intention to complete the intangible asset and use or sell it; - There is the ability to use or sell the intangible asset; - The use or sale of the intangible asset will generate probable future economic benefits; - There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and - The expenditure attributable to the intangible asset during its development can be measured reliably. Expenditure that does not meet the above criteria is expensed as incurred.

Tangible assets

tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land & Buildings	-	Nil
Plant and machinery	-	25 % reducing balance
Fittings fixtures and equipment	-	20- 25% reducing balance
Motor vehicles	-	25 % reducing balance

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks and Work in Progress are measured at the lower of cost and net realisable value. Cost in respect of finished goods includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition. Net realisable value is the price at which stock can be realised in the normal course of business. Provision is made where necessary for obsolete, slow moving and defective stock. Work in Progress is valued on the basis of direct costs plus attributable overheads based on normal activity. Provisions are made for any foreseeable losses where appropriate. No profit element is included in the valuation of Work in Progress.

Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met. Capital grants received and receivable are treated as deferred income and amortised to the Profit and Loss Account annually over the useful economic life of the asset to which it relates. Revenue grants are credited to the Profit and Loss Account so as to match them with the expenditure to which they relate.

Construction contracts

Where the outcome of construction contracts can be reliably estimated, contract revenue and contract costs are recognised by reference to the stage of completion of the contract activity as at the period end. Where the outcome of construction contracts cannot be estimated reliably, revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable, and contract costs are recognised as an expense in the period in which they are incurred. The entity uses the percentage of completion method to determine the amounts to be recognised in the period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred for work performed to date do not include costs relating to future activity, such as for materials or prepayments.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

Restatement

Certain comparative information has been restated to reflect a fairer comparison with the current year. This reclassification has had no impact on reported results for the year ended 30 April 2020 nor on shareholders' funds as at 30 April 2020.

Distributions To Equity Holders

Dividends to Company Shareholders are recognised as a liability in the period in which the dividends are approved. These amounts are recognised in the statement of changes in equity.

Cash

Cash & Cash equivalents includes cash on hand, deposits held at call with banks, other short term liquid investments with maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Share Capital

Ordinary shares are classified as equity.

4. Critical judgements and estimation uncertainty

There are no critical judgements in applying the company's accounting policies. There are no critical accounting estimates and assumptions.

5. Turnover

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

No analysis of turnover by activity or geographical area has been provided as, in the opinion of the directors such disclosure would be seriously prejudicial to the interests of the Company.

6. Other operating income

	2021	2020
	£	£
Government grant income	124,858	-
	<u> </u>	<u> </u>

7. Operating profit

Operating profit is stated after charging/(crediting):

	2021	2020
	£	£
Amortisation of intangible assets	144,888	144,888
Depreciation of tangible assets	77,503	99,610
(Gain)/loss on disposal of tangible assets	(20,934)	-
Foreign exchange differences	228,688	(37,209)
Fees payable for the audit of the financial statements	12,910	12,360
	<u> </u>	<u> </u>

8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2021	2020
Production staff	43	53
Administrative staff	16	16
Directors	5	5
	<u> </u>	<u> </u>
	64	74
	<u> </u>	<u> </u>

The aggregate payroll costs incurred during the year were:

	2021	2020
	£	£
Wages and salaries	2,242,320	2,355,303
Other pension costs	352,702	47,147
	<u> </u>	<u> </u>
	2,595,022	2,402,450
	<u> </u>	<u> </u>

9. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	377,642	334,339
Company contributions to pension schemes in respect of qualifying services	308,000	-
	<u>685,642</u>	<u>334,339</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2021	2020
	Number	Number
Defined contribution plans	5	5

Remuneration of the highest paid directors in respect of qualifying services:

	2021	2020
	£	£
Aggregate remuneration	79,266	80,046
Company contributions to pension plans in respect of qualifying services	-	-
	<u>79,266</u>	<u>80,046</u>

10. Other interest receivable and similar income

	2021	2020
	£	£
Bank deposits	2,308	10,439

11. Interest payable and similar expenses

	2021	2020
	£	£
Other interest payable and similar expenses	(3,001)	(2,274)

12. Tax on profit

Major components of tax income/expense

	2021	2020
	£	£
Current tax:		
UK current tax expense	208,002	387,250
Adjustments in respect of previous periods	(207,058)	-
	<hr/>	<hr/>
Deferred tax:		
Origination and reversal of timing differences	(7,300)	(119)
	<hr/>	<hr/>
Tax on profit	(6,356)	387,131
	<hr/>	<hr/>

Reconciliation of tax income/expense

The tax assessed on the profit for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19.00 % (2020: 19.00%).

	2021	2020
	£	£
Profit before taxation	955,271	1,866,817
	<hr/>	<hr/>
Profit multiplied by rate of tax	181,501	354,695
Adjustments in respect of prior periods	(207,058)	-
Effect of capital allowances and depreciation	32,028	27,647
Rounding on tax charge	-	1
Deferred tax	(7,300)	(119)
Lower tax rates on overseas earnings	(5,527)	-
	<hr/>	<hr/>
Tax on profit	(6,356)	382,224
	<hr/>	<hr/>

Factors affecting future tax expense

In the Budget on 3rd March 2021 the Chancellor announced an increase in the corporation tax main rate from 1st April 2023. The rate will be increased to 25% for profits in excess of £250,000. The deferred tax liability has been calculated based on the future tax rate.

13. Dividends

Equity dividends

	2021	2020
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	2,000,000	-
	<hr/>	<hr/>

14. Intangible assets

	Goodwill £	Total £
Cost		
At 1 May 2020 and 30 April 2021	1,448,884	1,448,884
	<hr/>	<hr/>
Amortisation		
At 1 May 2020	1,144,614	1,144,614
Charge for the year	144,888	144,888
	<hr/>	<hr/>
At 30 April 2021	1,289,502	1,289,502
	<hr/>	<hr/>
Carrying amount		
At 30 April 2021	159,382	159,382
	<hr/>	<hr/>
At 30 April 2020	304,270	304,270
	<hr/>	<hr/>

Goodwill relates to the value applied to Western Building Systems at incorporation from the partnership to the limited company in May 2005. A valuation and impairment review has been carried out and the directors consider that the expected useful life of goodwill is 10 years and the carrying value of the goodwill on the balance sheet does not exceed the market value.

15. Tangible assets

	Freehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 May 2020	250,000	1,294,977	102,594	220,271	1,867,842
Additions	-	21,000	10,634	-	31,634
Disposals	(250,000)	(93,575)	-	(11,000)	(354,575)
At 30 April 2021	-	1,222,402	113,228	209,271	1,544,901
Depreciation					
At 1 May 2020	160,000	1,036,040	87,746	181,792	1,465,578
Charge for the year	-	61,940	6,440	9,122	77,502
Disposals	(160,000)	(73,198)	-	(9,011)	(242,209)
At 30 April 2021	-	1,024,782	94,186	181,903	1,300,871
Carrying amount					
At 30 April 2021	-	197,620	19,042	27,368	244,030
At 30 April 2020	90,000	258,937	14,848	38,479	402,264

The directors have also carried out an impairment review and consider the net book value of fixed assets does not exceed the recoverable amount.

16. Stocks

	2021	2020
	£	£
Raw materials	200,075	206,482
Work in progress	7,305,665	6,906,347
Finished goods	213,492	213,492
	7,719,232	7,326,321

Stocks and Work in Progress are measured at the lower of cost and net realisable value. Cost in respect of finished goods includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition. Net realisable value is the price at which stock can be realised in the normal course of business. No provision was required for obsolete, slow moving or defective stock (2020, Nil). Work in Progress is valued on the basis of direct costs plus attributable overheads based on normal activity. Provisions are made for any foreseeable losses where appropriate. No profit element is included in the valuation of Work in Progress.

17. Debtors

Debtors falling due within one year are as follows:

	2021	2020
	£	£
Trade debtors	71,615	189,534
Amounts owed by group undertakings	100,406	46,983
Amounts owed by undertakings in which the company has a participating interest	43,064	42,899
Prepayments and accrued income	765,191	311,869
Other debtors	155,314	134,474
	<u>1,135,590</u>	<u>725,759</u>

Debtors falling due after one year are as follows:

	2021	2020
	£	£
Amounts owed by undertakings in which the company has a participating interest	744,272	871,130
	<u>744,272</u>	<u>871,130</u>

Included above is monies which have been advanced to various associated companies. Interest has been accrued on these amounts at the HMRC official rate of interest.

18. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	6,818,990	6,250,790
	<u>6,818,990</u>	<u>6,250,790</u>

Western Building Systems Ltd have Contract Bond Facilities with AIB Bank amounting to £8,527,866. At the year-end AIB Bank have a charge over deposits provided and property executed by the company and also any credits held by the bank in the name of the company. AIB Bank also have mortgage debenture incorporating a fixed & floating charge over all company assets, present and future, to include counter indemnity in respect of Performance Bonds amounting to £5,415,765 and €3,685,438 respectively.

19. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	3,574,533	3,177,631
Amounts owed to undertakings in which the company has a participating interest	128,008	128,008
Accruals and deferred income	6,500	166,486
Corporation tax	(427,963)	(221,743)
Social security and other taxes	2,033,720	138,366
Director loan accounts	239,896	177,766
Other creditors	3,013	4,560
	<u>5,557,707</u>	<u>3,571,074</u>

AIB Bank have made available the following facilities: £1,000,000 overdraft €500,000 overdraft £8,527,866 Contract Bond Western Building Systems Ltd have Contract Bond Facilities with AIB Bank amounting to £8,527,866. At the year-end AIB Bank have a charge over deposits provided and property executed by the company and also any credits held by the bank in the name of the company. AIB Bank also have mortgage debenture incorporating a fixed & floating charge over all company assets, present and future, to include counter indemnity in respect of Performance Bonds amounting to £5,415,765 and €3,685,438 respectively.

20. Provisions

	Deferred tax (note 21)	Total
	£	£
At 1 May 2020	66,877	66,877
Additions	(7,300)	(7,300)
At 30 April 2021	<u>59,577</u>	<u>59,577</u>

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2021	2020
	£	£
Included in provisions (note 20)	59,577	66,877
	<hr/>	<hr/>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021	2020
	£	£
Accelerated capital allowances	59,577	66,877
	<hr/>	<hr/>

22. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £ 352,702 (2020: £ 47,147).

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	124,858	-
	<hr/>	<hr/>

Under the terms of certain government grant agreements, a liability may arise to repay in whole or in part capital or revenue grants received if certain conditions in the grant agreements are not complied with. In the opinion of the directors the terms of the letter of offers have been complied with and a liability is not expected to arise.

24. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2021	2020
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	71,615	189,534
Other debtors	977,740	961,011
Cash at bank and in hand	6,818,990	6,250,790
	<u>7,868,345</u>	<u>7,401,335</u>
Financial liabilities measured at amortised cost		
Trade creditors	3,574,533	3,177,631
Other creditors	374,404	517,711
	<u>3,948,937</u>	<u>3,695,342</u>

25. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No	£	No	£
Ordinary shares of £ 1.00 each	40,002	40,002	40,002	40,002
	<u>40,002</u>	<u>40,002</u>	<u>40,002</u>	<u>40,002</u>

26. Reserves

Called up share capital represents the nominal value of shares that have been issued. Profit and loss reserve represents cumulative profits or losses, net of dividends paid.

27. Analysis of changes in net debt

	At 1 May 2020	Cash flows	At 30 April 2021
	£	£	£
Cash and cash equivalents	6,250,790	568,200	6,818,990
Debt due within one year	(305,774)	(62,130)	(367,904)
	<u>5,945,016</u>	<u>506,070</u>	<u>6,451,086</u>

28. Charge on assets

AIB Bank have made available the following facilities: £1,000,000 overdraft, €500,000 overdraft, £8,527,866 Contract Bond Western Building Systems Ltd have Contract Bond Facilities with AIB Bank amounting to £8,527,866. At the year-end AIB Bank have a charge over deposits provided and property executed by the company and also any credits held by the bank in the name of the company. AIB Bank also have mortgage debenture incorporating a fixed & floating charge over all company assets, present and future, to include counter indemnity in respect of Performance Bonds amounting to £5,415,765 and €3,685,438 respectively.

29. Contingent assets and liabilities

ROI High Court litigation has been instigated against the Company by the Department of Education in relation to the alleged building defects in a large number of ROI schools. This litigation involves multiple Defendants and third parties as well as the Company. The Company are vigorously defending the litigation together with their insurers and do not accept that they have any liability. The information usually required by paragraph 21.15 of FRS 102 is not disclosed, because the Directors believe the required disclosure is impracticable and that to do so would prejudice the outcome of the litigation and/or insurance position. The Company has also issued multiple separate proceedings against the Department of Education for sums due pursuant to completed Contracts in a total sum in excess of €3.5 million.

30. Limitation of auditors liability

The terms of agreement regarding the limitation of the auditors liability are set out in the engagement letter, in accordance with Section 538 Companies Act 2006.

31. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

2021

	Balance brought forward	Advances /(credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
Mr Martin McCloskey	(88,883)	43,935	(75,000)	(119,948)
Mrs Nora McCloskey	(88,883)	43,935	(75,000)	(119,948)
Mr Declan McCloskey	-	45,000	-	45,000
Mrs Melissa Canavan	-	45,000	-	45,000
	<u>(177,766)</u>	<u>177,870</u>	<u>(150,000)</u>	<u>(149,896)</u>

2020

	Balance brought forward	Advances /(credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
Mr Martin McCloskey	(77,204)	93,307	(104,986)	(88,883)
Mrs Nora McCloskey	(77,204)	63,742	(75,421)	(88,883)
Mr Declan McCloskey	-	-	-	-
Mrs Melissa Canavan	-	-	-	-
	<u>(154,408)</u>	<u>157,049</u>	<u>(180,407)</u>	<u>(177,766)</u>

A loan to Western Building Systems Ltd from company directors Mr & Mrs Martin McCloskey amounting to £239,895 (2020: £177,766) remained outstanding at the year end. The funds have been forwarded to the company without interest being charged and without a set repayment term. Martin and Nora McCloskey rented commercial premises to Western Building Systems Ltd for £150, 000 (2020: £150,000) for the year ended 30 April 2021. Rent was charged at full market value. A loan was advanced to directors Declan McCloskey & Melissa Canavan totalling £45,000 respectively, the full amount was repaid to Western Building Systems Ltd post year end. Company directors have received salaries amounting to £377,642 (2020: £334,339) for the year ended 30 April 2021.

32. Related party transactions

The Company has taken advantage of the exemption conferred by section 33.1A of FRS102 not to disclose transactions with other wholly owned subsidiaries within the group. During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2021	2020	2021	2020
	£	£	£	£
Bush Properties Ltd - Loan	18	-	18,063	17,899
Bush Properties Ltd - Customer	550,000	1,700,000	-	(250,000)
Bush Properties Ltd - WIP on Site	(555,588)	755,588	200,000	755,588
Square Property Development Ltd - Loan	2,650	4,667	64,427	61,777
WBS (ROI) Ltd - Loan	(130,540)	24,907	637,473	768,013
WBS Developments ROI Ltd - Loan	-	-	(128,000)	(128,000)
WBS Developments ROI Ltd - WIP on Site	(272,021)	3,363,182	3,091,161	3,363,182
WBS Developments ROI Ltd - Customer	1,854,747	2,000,000	-	-
Killen Developments Ltd - Loan	866	3,338	35,515	34,649
Killen Developments Ltd - WIP on Site	1,033,962	79,214	79,214	
Killen Commercial Ltd - Loan	41	39	1,654	1,613
Dukart Properties Ltd - Loan	127	5,077	5,203.63	5,077
Dukart	473,333	-	-	-

Properties Ltd - Customer				
Dukart	(502,537)	502,537		502,537
Properties Ltd - WIP on Site				
Ahmre	-	-	25,000	25,000
Maghery	20,002	5,678	25,680	5,678
Property Dev Ltd - WIP on Site				

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All transaction were conducted on an arm's length basis under normal trading term.

Company Directors are also Company Directors and shareholders of the above companies.

33. Key management personnel

Key Management Personnel are The Board of Directors

34. Controlling party

Ultimate parent companyThe company is a wholly owned subsidiary of Western Building Systems (HLD) Ltd, a company registered in Northern Ireland (NI624100), whose registered office address is 11 Mountjoy Road, Coalisland, Co Tyrone, BT71 5DQ.Ultimate controlling partyUltimate controlling party is company directors, Mr Martin McCloskey & Mrs Nora McCloskey

35. Going Concern

The company considers it appropriate to adopt the going concern basis.

36. Comparative information

Comparative information has been reclassified where necessary to conform to current year presentation.

37. Post Balance Sheet Events

The ongoing global pandemic - COVID-19 since the initial announcement on 31 January 2020, by the World Health Organisation (WHO) there has been numerous localised lockdowns. The directors of the company are actively monitoring the situation and taking actions where possible to ensure that the business can manage through any impact that it may face as a result of the pandemic. At present no current information has been identified by which would affect the carrying value of amounts held on the Statement of Financial Position as at 30th April 2021.

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.