

# Devon Contractors Limited

Annual Report and Financial Statements  
for the Year Ended 31 May 2020

# Devon Contractors Limited

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# **Devon Contractors Limited**

## **Company Information**

<b>Directors</b>	Mr N England Mr S Bennington Mr D Hunt Mr P Alderson
<b>Registered office</b>	Clyst Court Hill Barton Business Park Clyst St Mary Exeter EX5 1SA
<b>Auditors</b>	Milsted Langdon LLP Winchester House Deane Gate Avenue Taunton Somerset TA1 2UH

## Devon Contractors Limited

### Strategic Report for the Year Ended 31 May 2020

The directors present their strategic report for the year ended 31 May 2020.

#### Principal activity

The principal activity of the company is building contracting and civil engineering contracting.

#### Fair review of the business

We have focused on a strengthened balance sheet (124% ahead of last year) and continued strong margin return. We continue to invest significantly in the development of our people and the evolution of our employer brand. It is our firm belief that our people are the overarching differentiator in the service that we provide and the primary driver for our continued success.

The outlook for future trading remains positive and provides the opportunity to maximise earnings from our operations.

The board is anticipating maintaining margin percentage coupled with further revenue growth.

The directors consider that the company performed in line with expectations and met its targets.

The directors do not recommend payment of a final dividend.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2020	2019
Turnover	£	20,601,864	21,256,826
Operating profit	£	381,305	439,746
Profit after tax	£	316,417	355,745
Shareholders funds	£	1,006,050	812,899
Current assets as a % of current liabilities	%	124	112

## **Devon Contractors Limited**

### **Strategic Report for the Year Ended 31 May 2020**

#### **Principal risks and uncertainties**

The directors have reviewed the industry in which the company operates and they consider there are no significant risks and uncertainties that need disclosing within this report, other than the below.

Following the outbreak of COVID-19 and the increasing economic impact of this worldwide pandemic, the directors have reviewed budgets to assist with the effect on the company. Due to the nature of the business, there has been an impact on its ability to trade with customers during the later months of the year, however this is not believed to significantly impact going concern. The company reacted to the pandemic by putting certain cost saving measures in place such as furloughing the majority of the workforce and obtaining Government assistance in the form of payroll costs. Despite the second lockdown announced in November 2020, the directors are pleased to announce that all staff are now back to normal working.

Price risk - The company is exposed to price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposures to equity securities price risk as it holds no listed or other equity investments.

Credit risk - The company has implemented policies that require appropriate credit checks on potential customers before contracts are entered. The credit given to customers is subject to limits which are determined and reassessed by the directors.

Liquidity risk - The company actively maintains a mixture of finance, designed to ensure the company has sufficient available funds for operations.

Interest rate flow risk - The company is not exposed to interest bearing liabilities.

#### **Environmental and Social Matters**

Information about environmental matters, the company's employees, social community and human rights issues have not been provided as the directors do not believe that this is fundamental to gain an understanding of the business.

Approved by the Board on 8 March 2021 and signed on its behalf by:

.....  
Mr S Bennington  
Director

## **Devon Contractors Limited**

### **Directors' Report for the Year Ended 31 May 2020**

The directors present their report and the financial statements for the year ended 31 May 2020.

#### **Directors of the company**

The directors who held office during the year were as follows:

Mr N England

Mr S Bennington

Mr D Hunt

Mr P Alderson

#### **Financial instruments**

The company has procedures to identify risk and manage risks that may hinder its financial performance objectives. The objective is to limit counterparty exposure, ensure sufficient weekly capital and to mitigate the risk identified. The company does not consider it necessary to employ derivatives to manage risk based on the current activities of the company.

#### **Objectives and policies**

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

#### **Future developments**

The directors aim to maintain the management policies going forward. They consider the next period will show further growth in sales from continuing operations.

#### **Research and development**

There has been no research and development for the company in the year ended 31 May 2020 or 31 May 2019.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 8 March 2021 and signed on its behalf by:

.....  
Mr S Bennington  
Director

## **Devon Contractors Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual 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 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 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

## **Devon Contractors Limited**

### **Independent Auditor's Report to the Members of Devon Contractors Limited**

#### **Opinion**

We have audited the financial statements of Devon Contractors Limited (the 'company') for the year ended 31 May 2020, which comprise the Profit and Loss Account, Balance Sheet, 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 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 May 2020 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 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.



## **Devon Contractors Limited**

### **Independent Auditor's Report to the Members of Devon Contractors Limited**

#### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our 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 and 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 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 5, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Devon Contractors Limited**

### **Independent Auditor's Report to the Members of Devon Contractors 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....

Nigel Fry (Senior Statutory Auditor)

For and on behalf of Milsted Langdon LLP, Statutory Auditor

Winchester House

Deane Gate Avenue

Taunton

Somerset

TA1 2UH

9 March 2021

## Devon Contractors Limited

### Profit and Loss Account for the Year Ended 31 May 2020

	Note	2020 £	2019 £
Turnover	<u>3</u>	20,601,864	21,256,826
Cost of sales		<u>(19,767,722)</u>	<u>(20,107,770)</u>
Gross profit		834,142	1,149,056
Administrative expenses		(557,328)	(709,580)
Other operating income	<u>4</u>	<u>104,491</u>	<u>-</u>
Operating profit	<u>5</u>	<u>381,305</u>	<u>439,476</u>
Other interest receivable and similar income	<u>7</u>	7,652	5,629
Interest payable and similar expenses	<u>8</u>	<u>-</u>	<u>(6)</u>
		<u>7,652</u>	<u>5,623</u>
Profit before tax		388,957	445,099
Tax on profit	<u>12</u>	<u>(70,388)</u>	<u>(89,354)</u>
Profit for the financial year		<u><u>318,569</u></u>	<u><u>355,745</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above and therefore a separate statement of other comprehensive income has not been presented.

**Devon Contractors Limited**  
**(Registration number: 00533232)**  
**Balance Sheet as at 31 May 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	<u>13</u>	103,200	83,826
<b>Current assets</b>			
Debtors	<u>14</u>	1,021,268	2,133,274
Cash at bank and in hand		3,750,896	4,775,784
		4,772,164	6,909,058
<b>Creditors:</b> Amounts falling due within one year	<u>16</u>	(3,859,619)	(6,167,502)
<b>Net current assets</b>		912,545	741,556
<b>Total assets less current liabilities</b>		1,015,745	825,382
<b>Provisions for liabilities</b>	<u>17</u>	(9,227)	(12,483)
<b>Net assets</b>		1,006,518	812,899
<b>Capital and reserves</b>			
Called up share capital	<u>19</u>	15,000	15,000
Capital redemption reserve		15,000	15,000
Profit and loss account		976,518	782,899
<b>Total equity</b>		1,006,518	812,899

Approved and authorised by the Board on 8 March 2021 and signed on its behalf by:

.....

Mr S Bennington  
Director

.....

Mr D Hunt  
Director

# Devon Contractors Limited

## Statement of Changes in Equity for the Year Ended 31 May 2020

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 June 2019	15,000	15,000	782,899	812,899
Profit for the year	-	-	318,569	318,569
Total comprehensive income	-	-	318,569	318,569
Dividends	-	-	(124,950)	(124,950)
At 31 May 2020	15,000	15,000	976,518	1,006,518

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 June 2018	15,000	15,000	497,154	527,154
Profit for the year	-	-	355,745	355,745
Total comprehensive income	-	-	355,745	355,745
Dividends	-	-	(70,000)	(70,000)
At 31 May 2019	15,000	15,000	782,899	812,899

# Devon Contractors Limited

## Statement of Cash Flows for the Year Ended 31 May 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Profit for the year		318,569	355,745
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>5</u>	44,786	44,272
Profit on disposal of tangible assets		(250)	-
Finance income	<u>7</u>	(7,652)	(5,629)
Finance costs	<u>8</u>	-	6
Income tax expense	<u>12</u>	70,388	89,354
		425,841	483,748
Working capital adjustments			
Decrease in trade debtors	<u>14</u>	1,112,006	35,870
(Decrease)/increase in trade creditors	<u>16</u>	(1,592,195)	1,145,326
Cash generated from operations		(54,348)	1,664,944
Income taxes paid	<u>12</u>	(89,324)	(134,969)
Net cash flow from operating activities		(143,672)	1,529,975
<b>Cash flows from investing activities</b>			
Interest received	<u>7</u>	7,652	5,629
Acquisitions of tangible assets		(64,160)	(40,451)
Proceeds from sale of tangible assets		250	-
Net cash flows from investing activities		(56,258)	(34,822)
<b>Cash flows from financing activities</b>			
Interest paid	<u>8</u>	-	(6)
Dividends paid	<u>22</u>	(124,950)	(70,000)
Net cash flows from financing activities		(124,950)	(70,006)
Net (decrease)/increase in cash and cash equivalents		(324,880)	1,425,147
Cash and cash equivalents at 1 June		4,075,776	2,650,629
Cash and cash equivalents at 31 May	<u>15, 24</u>	3,750,896	4,075,776

# **Devon Contractors Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2020**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Clyst Court  
Hill Barton Business Park  
Clyst St Mary  
Exeter  
EX5 1SA

These financial statements were authorised for issue by the Board on 8 March 2021.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### **Going concern**

In light of the rapid global spread of Coronavirus "COVID-19" in early 2020, the directors have reviewed projections and budgets for the next twelve months. Given the level of cash held by the company, high levels of reserves, lack of external financing and support of the shareholders, the directors consider the company to be a going concern and able to continue trading for the foreseeable future.

## **Devon Contractors Limited**

### **Notes to the Financial Statements for the Year Ended 31 May 2020**

#### **Key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and value added tax.

When the outcome of a construction contract can be estimated reliably, the company recognises contract revenue and contract costs associated with the construction contract as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period.

#### **Government grants**

Grants are recognised in the financial statements when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received.

Grants become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in income in the period in which it becomes receivable.

Grants towards capital expenditure are initially recognised as deferred revenue and then released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.



## Devon Contractors Limited

### Notes to the Financial Statements for the Year Ended 31 May 2020

#### Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	Straight line basis over 2 to 5 years or 40%/50% first year and straight line for the next 3 years
Fixtures, fittings and equipment	Straight line basis up to 5 years
Motor vehicles	Straight line basis over 5 years

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

#### Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## Devon Contractors Limited

### Notes to the Financial Statements for the Year Ended 31 May 2020

#### Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### Provisions

Provisions for loss making contracts are recognised immediately in full in the profit and loss statement. Any anticipated losses in respect of onerous contracts are expensed in the accounting period in which such losses become probable.

#### Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### 3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2020	2019
	£	£
Construction contracts	20,601,864	21,256,826

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

## Devon Contractors Limited

### Notes to the Financial Statements for the Year Ended 31 May 2020

#### 4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2020 £	2019 £
Miscellaneous other operating income	104,491	-

#### 5 Operating profit

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	44,786	44,272
Profit on disposal of property, plant and equipment	(250)	-

#### 6 Government grants

The grants recognised in the financial statements relate to the Government assisted Coronavirus Job Retention Scheme.

The amount of grants recognised in the financial statements was £104,491 (2019 - £Nil).

#### 7 Other interest receivable and similar income

	2020 £	2019 £
Interest income on bank deposits	7,652	5,629

#### 8 Interest payable and similar expenses

	2020 £	2019 £
Interest expense on other finance liabilities	-	6

#### 9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	2,035,638	2,090,372
Social security costs	11,273	9,640
Pension costs, defined contribution scheme	148,110	86,032
	2,195,021	2,186,044

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

## **Devon Contractors Limited**

### **Notes to the Financial Statements for the Year Ended 31 May 2020**

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Directors	4	4
Administration	30	27
Construction workers	10	11
	<u>44</u>	<u>42</u>

# Devon Contractors Limited

## Notes to the Financial Statements for the Year Ended 31 May 2020

### 10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	385,860	667,560
Contributions paid to money purchase schemes	69,130	24,865
	<u>454,990</u>	<u>692,425</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2020 No.	2019 No.
Accruing benefits under money purchase pension scheme	<u>4</u>	<u>4</u>

In respect of the highest paid director:

	2020 £	2019 £
Remuneration	73,293	169,103
Company contributions to money purchase pension schemes	<u>34,565</u>	<u>6,216</u>

### 11 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>11,000</u>	<u>12,000</u>
<b>Other fees to auditors</b>		
Taxation compliance services	<u>7,710</u>	<u>5,865</u>

# Devon Contractors Limited

## Notes to the Financial Statements for the Year Ended 31 May 2020

### 12 Taxation

Tax charged/(credited) in the income statement:

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax	73,644	89,324
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	444	30
Arising from previously unrecognised temporary differences in prior periods	(3,700)	-
Total deferred taxation	(3,256)	30
Tax expense in the income statement	<u>70,388</u>	<u>89,354</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>388,957</u>	<u>445,099</u>
Corporation tax at standard rate	73,902	84,569
Effect of expense not deductible in determining taxable profit (tax loss)	186	4,785
Deferred tax credit from unrecognised temporary difference from a prior period	(3,700)	-
Total tax charge	<u>70,388</u>	<u>89,354</u>

### Deferred tax

Deferred tax assets and liabilities

	Liability £
<b>2020</b>	
Capital allowances in excess of depreciation	9,227
	<u>          </u>
<b>2019</b>	
Capital allowances in excess of depreciation	12,483
	<u>          </u>

# Devon Contractors Limited

## Notes to the Financial Statements for the Year Ended 31 May 2020

### 13 Tangible assets

	Plant and machinery £	Furniture, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 June 2019	144,980	127,465	211,299	483,744
Additions	-	35,643	28,517	64,160
Disposals	-	-	(4,900)	(4,900)
At 31 May 2020	144,980	163,108	234,916	543,004
<b>Depreciation</b>				
At 1 June 2019	130,427	107,117	162,374	399,918
Charge for the year	7,072	16,619	21,095	44,786
Eliminated on disposal	-	-	(4,900)	(4,900)
At 31 May 2020	137,499	123,736	178,569	439,804
<b>Carrying amount</b>				
At 31 May 2020	7,481	39,372	56,347	103,200
At 31 May 2019	14,553	20,348	48,925	83,826

### 14 Debtors

	2020 £	2019 £
Trade debtors	839,418	1,943,475
Other debtors	91,000	141,527
Accrued income	90,850	48,272
	1,021,268	2,133,274

# Devon Contractors Limited

## Notes to the Financial Statements for the Year Ended 31 May 2020

### 15 Cash and cash equivalents

	2020 £	2019 £
Cash on hand	-	399
Cash at bank	3,750,896	4,775,385
	<u>3,750,896</u>	<u>4,775,784</u>
Bank overdrafts	-	(700,008)
Cash and cash equivalents in statement of cash flows	<u>3,750,896</u>	<u>4,075,776</u>

### 16 Creditors

	Note	2020 £	2019 £
<b>Due within one year</b>			
Loans and borrowings	<u>20</u>	-	700,008
Trade creditors		3,040,481	3,717,223
Social security and other taxes		261,740	88,759
Accruals		483,754	1,572,188
Income tax liability	<u>12</u>	73,644	89,324
		<u>3,859,619</u>	<u>6,167,502</u>

There is an unlimited debenture dated 11 July 2013 incorporating a fixed and floating charge over all of the company's assets and a first legal charge over cash dated 6 March 2017.

### 17 Provisions for liabilities

	Deferred tax £	Total £
At 1 June 2019	12,483	12,483
Increase (decrease) in existing provisions	<u>(3,256)</u>	<u>(3,256)</u>
At 31 May 2020	<u>9,227</u>	<u>9,227</u>

### 18 Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £148,110 (2019 - £86,032).

Contributions totalling £8,790 (2019 - £7,478) were payable to the scheme at the end of the year and are included in creditors.



# Devon Contractors Limited

## Notes to the Financial Statements for the Year Ended 31 May 2020

### 19 Share capital

#### Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	15,000	15,000	15,000	15,000

#### Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

- Each share is entitled to one vote at all general meetings of the company and on a written resolution.
- Each share is entitled to dividends, to be paid as the company may determine, and each share has equal rights to dividends.
- Each share is entitled to equal rights, a return of capital on liquidation or otherwise.
- The shares are non-redeemable.

### 20 Loans and borrowings

	2020	2019
	£	£
<b>Current loans and borrowings</b>		
Bank overdrafts	-	700,008

### 21 Obligations under leases and hire purchase contracts

#### Operating leases

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Not later than one year	36,317	24,065
Later than one year and not later than five years	100,837	9,012
Later than five years	39,583	-
	176,737	33,077

The amount of non-cancellable operating lease payments recognised as an expense during the year was £43,911 (2019 - £32,000).

### 22 Dividends

#### Interim dividends paid

	2020	2019
	£	£
Interim dividend of £8.33 (2019 - £4.67) per each Ordinary share	124,950	70,000

## Devon Contractors Limited

### Notes to the Financial Statements for the Year Ended 31 May 2020

#### 23 Contingent liabilities

At the year end the company's underwriters have given bonds to certain customers of the company to guarantee completion of the projects undertaken. The amount of these bonds varied throughout the year and as at the year end there are £589,022 outstanding (2019 - £1,042,119). This facility is held in the sole name of Devon Contractors Limited.

#### 24 Analysis of changes in net debt

	At 1 June 2019 £	Financing cash flows £	At 31 May 2020 £
<b>Cash and cash equivalents</b>			
Cash	4,775,784	(1,024,888)	3,750,896
Overdrafts	(700,008)	700,008	-
	<u>4,075,776</u>	<u>(324,880)</u>	<u>3,750,896</u>
	<u>4,075,776</u>	<u>(324,880)</u>	<u>3,750,896</u>

#### 25 Parent and ultimate parent undertaking

There is no ultimate controlling party.

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