

# Devon Contractors Limited

Annual Report and Financial Statements  
for the Year Ended 31 May 2023

# 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>Company secretary</b>	Mr S Bennington
<b>Registered office</b>	Clyst Court Hill Barton Business Park Clyst St Mary Exeter Devon 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 2023

The directors present their strategic report for the year ended 31 May 2023.

#### Principal activity

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

#### Fair review of the business

The year ended May 2023 saw market share reduce. This is due to the backdrop and implications of Covid 19 coupled with the volatility of inflation on commodity prices has impacted the already challenging trading conditions and lead to ongoing fixed price contracts having profits squeezed. Looking forward with the outlook for inflation falling and fixed price contracts completing the company remains positive for a successful year ahead.

The directors consider that the company performed in line with expectations.

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 staff are the overarching differentiator in the service that we provide and the primary driver for our continued success.

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	2023	2022
Turnover	£	22,615,761	26,998,990
Operating profit	£	32,349	28,924
Profit after tax	£	36,671	17,588
Shareholders funds	£	1,046,021	1,044,544
Current assets as a % of current liabilities	%	118	111

## **Devon Contractors Limited**

### **Strategic Report for the Year Ended 31 May 2023**

#### **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. However, this is not believed to significantly impact going concern. The company will continue to pro-actively manage the effects of the pandemic.

We have considered the potential impact of Brexit on the business and whilst there is uncertainty around the possible wider economic impact, the company has significant number of tenders and future secured workload.

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 and authorised by the Board on 22 January 2024 and signed on its behalf by:

.....

Mr S Bennington

Company secretary and director

## **Devon Contractors Limited**

### **Directors' Report for the Year Ended 31 May 2023**

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

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

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

Mr N England

Mr S Bennington - Company secretary and director

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 that the next period profitability will be marginally increased with maintenance of market share against a backdrop of economic uncertainty.

#### **Research and development**

There has been no research and development for the company in the year ended 31 May 2023 or 31 May 2022.

#### **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 22 January 2024 and signed on its behalf by:

Mr S Bennington  
Company secretary and 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 United Kingdom 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 2023, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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.

#### **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.

#### **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 were 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.

## **Devon Contractors Limited**

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

#### **Auditor 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks or irregularities, including known and actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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

24 January 2024

## Devon Contractors Limited

### Profit and Loss Account for the Year Ended 31 May 2023

	Note	2023 £	2022 £
Turnover	<u>3</u>	22,615,861	26,998,990
Cost of sales		<u>(21,970,383)</u>	<u>(26,355,528)</u>
Gross profit		645,478	643,462
Administrative expenses		<u>(613,129)</u>	<u>(614,538)</u>
Operating profit	<u>4</u>	<u>32,349</u>	<u>28,924</u>
Other interest receivable and similar income	<u>5</u>	13,735	311
Interest payable and similar expenses	<u>6</u>	<u>(868)</u>	<u>(4,041)</u>
		<u>12,867</u>	<u>(3,730)</u>
Profit before tax		45,216	25,194
Tax on profit	<u>10</u>	<u>(8,545)</u>	<u>(7,606)</u>
Profit for the financial year		<u><u>36,671</u></u>	<u><u>17,588</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 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	<u>11</u>	118,796	127,250
<b>Current assets</b>			
Debtors	<u>12</u>	2,942,885	4,369,069
Cash at bank and in hand	<u>13</u>	3,132,500	5,154,860
		6,075,385	9,523,929
<b>Creditors:</b> Amounts falling due within one year	<u>14</u>	(5,128,767)	(8,595,787)
<b>Net current assets</b>		946,618	928,142
<b>Total assets less current liabilities</b>		1,065,414	1,055,392
<b>Provisions for liabilities</b>	<u>15</u>	(19,393)	(10,848)
<b>Net assets</b>		<u>1,046,021</u>	<u>1,044,544</u>
<b>Capital and reserves</b>			
Called up share capital	<u>17</u>	15,000	15,000
Capital redemption reserve	<u>18</u>	15,000	15,000
Profit and loss account	<u>18</u>	1,016,021	1,014,544
<b>Total equity</b>		<u>1,046,021</u>	<u>1,044,544</u>

Approved and authorised by the Board on 22 January 2024 and signed on its behalf by:

Mr S Bennington  
Company secretary and director

# Devon Contractors Limited

## Statement of Changes in Equity for the Year Ended 31 May 2023

	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
At 1 June 2022	15,000	15,000	1,014,544	1,044,544
Profit for the year	-	-	36,671	36,671
Dividends	-	-	(35,194)	(35,194)
At 31 May 2023	15,000	15,000	1,016,021	1,046,021

	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
At 1 June 2021	15,000	15,000	1,016,636	1,046,636
Profit for the year	-	-	17,588	17,588
Dividends	-	-	(19,680)	(19,680)
At 31 May 2022	15,000	15,000	1,014,544	1,044,544

# **Devon Contractors Limited**

## **Notes to the Financial Statements for the Year Ended 31 May 2023**

### **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  
Devon  
EX5 1SA

These financial statements were authorised for issue by the Board on 22 January 2024.

### **2 Accounting policies**

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

#### **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.

The financial statements are prepared in sterling, which is the functional currency of the company, and rounded to the nearest £.

#### **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.

#### **Summary of disclosure exemptions**

The company is a member of a group where the parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view and that member is included in the consolidation. Therefore, the company has adopted the exemption from requirement to present a statement of cash flows and related notes.

Furthermore, in line with FRS102.33.1A, the company has adopted the exemption from disclosing transactions with members of the the above referenced group.

#### **Name of parent of group**

These financial statements are consolidated in the financial statements of Devon Contractors (Holdings) Limited.

The financial statements of Devon Contractors (Holdings) Limited may be obtained from .

#### **Going concern**

The directors have reviewed projections and forecasts for the next twelve months, given the level of cash held by the company, 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 and will be able to meet its financial obligations as they become due.

## **Devon Contractors Limited**

### **Notes to the Financial Statements for the Year Ended 31 May 2023**

#### **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.

The estimates and assumptions which are considered to have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

#### **Contract valuation**

The directors review the valuation of long term contracts on a regular basis. When the outcome of a construction contract can be estimated reliably, revenue and costs associated with the contract are recognised by reference to the stage of completion and any expected losses are recognised immediately. The carrying amount is £2,343,992 (2022 - £2,707,778).

#### **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.

#### **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 2023

#### 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.

#### 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.

#### Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors 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.

#### 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.



## Devon Contractors Limited

### Notes to the Financial Statements for the Year Ended 31 May 2023

#### 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 Turnover

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

	2023	2022
	£	£
Construction contracts	22,615,861	26,998,990

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

### 4 Operating profit

Arrived at after charging/(crediting):

	2023	2022
	£	£
Depreciation expense	54,992	59,371
Profit on disposal of property, plant and equipment	(17,943)	(8,121)

### 5 Other interest receivable and similar income

	2023	2022
	£	£
Interest income on bank deposits	13,735	311

# Devon Contractors Limited

## Notes to the Financial Statements for the Year Ended 31 May 2023

### 6 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank overdrafts and borrowings	8	4,041
Interest expense on other finance liabilities	860	-
	<u>868</u>	<u>4,041</u>

### 7 Staff costs

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

	2023 £	2022 £
Wages and salaries	1,797,977	2,106,753
Social security costs	9,414	11,412
Pension costs, defined contribution scheme	237,024	239,935
	<u>2,044,415</u>	<u>2,358,100</u>

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

	2023 No.	2022 No.
Directors	4	4
Administration	7	7
Construction workers	28	31
	<u>39</u>	<u>42</u>

# Devon Contractors Limited

## Notes to the Financial Statements for the Year Ended 31 May 2023

### 8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023 £	2022 £
Remuneration	294,413	288,529
Contributions paid to money purchase schemes	126,000	160,000
	<u>420,413</u>	<u>448,529</u>

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

	2023 No.	2022 No.
Accruing benefits under money purchase pension scheme	<u>4</u>	<u>4</u>

In respect of the highest paid director:

	2023 £	2022 £
Remuneration	67,538	76,725
Company contributions to money purchase pension schemes	<u>37,166</u>	<u>40,000</u>

### 9 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>16,050</u>	<u>14,850</u>
<b>Other fees to auditors</b>		
Taxation compliance services	<u>6,045</u>	<u>10,612</u>

# Devon Contractors Limited

## Notes to the Financial Statements for the Year Ended 31 May 2023

### 10 Taxation

Tax charged/(credited) in the income statement:

	2023 £	2022 £
<b>Current taxation</b>		
UK corporation tax	-	5,038
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	8,545	2,568
Tax expense in the income statement	8,545	7,606

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2022 - lower than the standard rate of corporation tax in the UK) of 20% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
Profit before tax	45,216	25,194
Corporation tax at standard rate	9,044	4,787
Effect of revenues exempt from taxation	(3,659)	-
Effect of expense not deductible in determining taxable profit (tax loss)	1,452	216
UK deferred tax expense relating to changes in tax rates or laws	1,708	2,603
Total tax charge	8,545	7,606

# Devon Contractors Limited

## Notes to the Financial Statements for the Year Ended 31 May 2023

### Deferred tax

Deferred tax assets and liabilities

	Asset £	Liability £
<b>2023</b>		
Deferred tax	-	19,393
	-	19,393
<b>2022</b>		
Deferred tax	-	10,848
	-	10,848

### 11 Tangible assets

	Furniture, fittings and equipment £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 June 2022	172,729	144,980	322,287	639,996
Additions	2,433	70,765	-	73,198
Disposals	-	-	(121,064)	(121,064)
At 31 May 2023	175,162	215,745	201,223	592,130
<b>Depreciation</b>				
At 1 June 2022	154,539	144,980	213,227	512,746
Charge for the year	10,453	14,255	30,284	54,992
Eliminated on disposal	-	-	(94,404)	(94,404)
At 31 May 2023	164,992	159,235	149,107	473,334
<b>Carrying amount</b>				
At 31 May 2023	10,170	56,510	52,116	118,796
At 31 May 2022	18,190	-	109,060	127,250

### Restriction on title and pledged as security

Property, plant and equipment with a carrying amount of £118,796 (2022 - £127,250) has the following restriction on title:

Amounts included in tangible assets are secured by a debenture incorporating a fixed and floating charge.

## Devon Contractors Limited

### Notes to the Financial Statements for the Year Ended 31 May 2023

#### 12 Debtors

Current	Note	2023 £	2022 £
Trade debtors		2,412,306	3,477,390
Amounts owed by related parties	<u>23</u>	448,839	469,895
Other debtors		63,418	421,784
Income tax asset	<u>10</u>	18,322	-
		<u>2,942,885</u>	<u>4,369,069</u>

The carrying amount of debtors pledged as security for liabilities amounted to £2,908,761 (2022 - £4,336,335).

Amounts included in debtors are secured by a debenture incorporating a floating charge.

#### 13 Cash and cash equivalents

	2023 £	2022 £
Cash at bank	<u>3,132,500</u>	<u>5,154,860</u>

Amounts included in cash and cash equivalents of £3,132,500 (2022 - £5,154,860) have been secured by way of a debenture incorporating a floating charge.

#### 14 Creditors

	Note	2023 £	2022 £
<b>Due within one year</b>			
Trade creditors		3,465,935	6,953,460
Amounts due to related parties	<u>23</u>	250,000	-
Social security and other taxes		719,386	1,408,091
Accruals		693,446	225,956
Corporation tax liability	<u>10</u>	-	8,280
		<u>5,128,767</u>	<u>8,595,787</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.

## Devon Contractors Limited

### Notes to the Financial Statements for the Year Ended 31 May 2023

#### 15 Provisions for liabilities

	Deferred tax £	Total £
At 1 June 2022	10,848	10,848
Increase (decrease) in existing provisions	8,545	8,545
At 31 May 2023	19,393	19,393

#### 16 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 £237,024 (2022 - £239,935). Contributions totalling £6,644 (2022 - £6,781) were payable to the scheme at the end of the year and are included in creditors.

#### 17 Share capital

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

	2023		2022	
	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.

#### 18 Reserves

##### Capital redemption reserve

Arising on the buyback of shares, this reserve represents a non-distributable balance arising from share capital purchased from the shareholders. This therefore ensures the maintenance of the capital base of the company.

## Devon Contractors Limited

### Notes to the Financial Statements for the Year Ended 31 May 2023

#### 19 Obligations under leases and hire purchase contracts

##### Operating leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	28,097	34,985
Later than one year and not later than five years	62,789	86,514
Later than five years	-	1,583
	<u>90,886</u>	<u>123,082</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £38,472 (2022 - £42,560).

#### 20 Dividends

##### Interim dividends paid

	2023 £	2022 £
Interim dividend of £2.35 (2022 - £1.31) per each Ordinary share	35,194	19,680
	<u>35,194</u>	<u>19,680</u>

#### 21 Commitments

##### Capital commitments

A capital commitment was entered into at the year end to acquire a new telecommunications system. The total amount contracted for but not provided in the financial statements was £3,926 (2022 - £Nil).

#### 22 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 £379,433 outstanding (2022 - £401,259). This facility is held in the sole name of Devon Contractors Limited.



# Devon Contractors Limited

## Notes to the Financial Statements for the Year Ended 31 May 2023

### 23 Related party transactions

#### Transactions with directors

	At 1 June 2022 £	Advances to director £	Repayments by director £	At 31 May 2023 £
<b>2023</b>				
<b>Mr S Bennington</b>	-	9,999	(6,815)	3,184
<b>Mr P Alderson</b>	10,000	-	-	10,000
<b>2022</b>				
<b>Mr N England</b>	143,199	252	(143,451)	-
<b>Mr S Bennington</b>	143,199	252	(143,451)	-
<b>Mr D Hunt</b>	143,199	252	(143,451)	-
<b>Mr P Alderson</b>	153,199	252	(143,451)	10,000

# Devon Contractors Limited

## Notes to the Financial Statements for the Year Ended 31 May 2023

### Income and receivables from related parties

	Other related parties £
<b>2023</b>	
Sale of goods	43,789
<b>2022</b>	
Sale of goods	617,505

### Expenditure with and payables to related parties

	Other related parties £
<b>2022</b>	
Purchase of goods	973
Rendering of services	14,250
	15,223

There has been no expenditure with or payables to other related parties in the year ended 31 May 2023.

### Loans to related parties

	Key management £	Total £
<b>2023</b>		
At start of period	10,000	10,000
At end of period	10,000	10,000
<b>2022</b>		
At start of period	582,798	582,798
Advanced	1,009	1,009
Repaid	(573,807)	(573,807)
At end of period	10,000	10,000

### Terms of loans to related parties

Loans to related parties are interest free and repayable on demand.

## Devon Contractors Limited

### Notes to the Financial Statements for the Year Ended 31 May 2023

#### Loans from related parties

	Other related parties £	Total £
<b>2023</b>		
Advanced	250,000	250,000
At end of period	250,000	250,000

#### Terms of loans from related parties

Loans from other related parties are interest free and repayable on demand.

#### 24 Parent and ultimate parent undertaking

During the year ended 31 May 2022, Devon Contractors Limited was wholly acquired by Devon Contractors (Holdings) Limited as part of a share acquisition and exchange on 1 February 2022.

There is no ultimate controlling party of Devon Contractors Limited.

The company's immediate parent is Devon Contractors (Holdings) Limited, incorporated in England & Wales.

The most senior parent entity producing publicly available financial statements is Devon Contractors (Holdings) Limited. These financial statements are available upon request from Clyst Court, Hill Barton Business Park, Clyst St Mary Exeter, Devon, EX5 1SA.

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.