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COMPANY REGISTRATION NUMBER: 03045350

David Salisbury Joinery Limited

Financial Statements

31 December 2021

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COMPANIES HOUSE

WEBB & CO LTD
Accountants and Business Advisers & statutory auditor
One New Street
Wells
Somerset
BA5 2LA

David Salisbury Joinery Limited

Financial Statements

Year ended 31 December 2021

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David Salisbury Joinery Limited

Officers and Professional Advisers

The board of directors	D Salisbury W Kangurs K Bell Hutt
Company secretary	C A Salisbury
Registered office	Bennett Road Isleport Business Park Highbridge Somerset TA9 4PW
Auditor	Webb & Co Ltd Accountants and Business Advisers & statutory auditor One New Street Wells Somerset BA5 2LA
Bankers	National Westminster 1st Floor. Lakeside House Blackbrook Business Park Blackbrook Park Avenue Taunton Somerset TA1 2PX

Principal Activity

The principal activity of the Company is the manufacture, sale and installation of bespoke timber windows, doors, orangeries, conservatories and garden rooms.

2021 Trading Summary

The trading year for 2021 was very satisfactory with a profit of £573k. Despite difficult trading conditions with Covid induced lockdowns causing supply chain disruption and high inflation contributing to increased material and labour costs, the company increased turnover to £14.2m resulting in stable profit. The high order intake of H2 2020 continued throughout 2021 with record sales of over £22m received. The company also completed the commissioning of £1m of capital investment machinery in Q4.

Other financial key performance indicators are as follows;

	2021	2020	2019
	£	£	£
Gross Profit (000's)	4,154	3,746	4,264
Gross Profit Margin (%)	29	30	30
Net Asset Value (000's)	1,111	1,110	1,085

Outlook

It is confidently expected, given the exceptional order intake, that 2022 will be a record trading year for the business and although there is an expectation that order intake will return to pre-pandemic levels inline with the wider home improvements industry, this will not affect the predicted revenue.

Timber supply has been secured for all current orders and pressures on other parts of the supply chain are easing as covid restrictions are lifted. We expect energy prices to have an effect on the operating costs however this will be offset by the already undertaken green strategies such as of biomass heating, solar energy etc.

The machinery investment in 2021 is complete with the business now seeing productivity gains that will benefit in 2022. Further capital investment is underway with commitment to further increase our productivity, quality and flexibility.

The Board would like to take this opportunity to thank all employees for their continued support and commitment through a challenging year and the flexibility and pragmatic approach demonstrated during the changing restrictions.

David Salisbury Joinery Limited

Strategic Report *(continued)*

Year ended 31 December 2021

This report was approved by the board of directors on 24-3-22 and signed on behalf of the board by:

D Salisbury
Director

Registered office:
Bennett Road
Isleport Business Park
Highbridge
Somerset
TA9 4PW

David Salisbury Joinery Limited

Directors' Report

Year ended 31 December 2021

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

Directors

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

D Salisbury
W Kangurs
K Bell Hutt

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

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 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;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

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.

This report was approved by the board of directors on ...24-3-22........ and signed on behalf of the board by:

D Salisbury
Director

Registered office:
Bennett Road
Isleport Business Park
Highbridge
Somerset
TA9 4PW

Opinion

We have audited the financial statements of David Salisbury Joinery Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, 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 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 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:

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

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

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 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.

Barry Davidson FCA FCCA (Senior Statutory Auditor)

For and on behalf of
Webb & Co Ltd
Accountants and Business Advisers & statutory auditor
One New Street
Wells
Somerset
BA5 2LA

25 March 2022

David Salisbury Joinery Limited

Statement of Comprehensive Income

Year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	**4**	14,215,045	12,599,326
Cost of sales		10,060,334	8,852,948
Gross profit		4,154,711	3,746,378
Distribution costs		1,581,358	1,456,331
Administrative expenses		1,985,552	1,879,662
Other operating income	**5**	4,367	170,045
Operating profit	**6**	592,168	580,430
Other interest receivable and similar income	**10**	456	4,952
Interest payable and similar expenses	**11**	19,273	12,961
Profit before taxation		573,351	572,421
Tax on profit	**12**	(27,053)	47,123
Profit for the financial year and total comprehensive income		600,404	525,298

All the activities of the company are from continuing operations.

The notes on pages 13 to 26 form part of these financial statements.

David Salisbury Joinery Limited

Statement of Financial Position

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	**14**	29,720	–
Tangible assets	**15**	1,734,114	749,093
Investments	**16**	3	3
		1,763,837	749,096
Current assets			
Stocks	**17**	765,588	455,970
Debtors	**18**	2,599,447	2,691,644
Cash at bank and in hand		3,285,161	2,088,161
		6,650,196	5,235,775
Creditors: amounts falling due within one year	**19**	6,412,021	4,621,055
Net current assets		238,175	614,720
Total assets less current liabilities		2,002,012	1,363,816
Creditors: amounts falling due after more than one year	**20**	560,868	115,170
Provisions	**22**	329,998	137,904
Net assets		1,111,146	1,110,742
Capital and reserves			
Called up share capital	**26**	140,525	140,525
Share premium account	**27**	14,850	14,850
Capital redemption reserve	**27**	60,475	60,475
Profit and loss account	**27**	895,296	894,892
Shareholders funds		1,111,146	1,110,742

These financial statements were approved by the board of directors and authorised for issue on 24-3-22 and are signed on behalf of the board by:

D Salisbury
Director

Company registration number: 03045350

David Salisbury Joinery Limited

Statement of Changes in Equity

Year ended 31 December 2021

		Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2020		140,525	14,850	60,475	869,594	1,085,444
Profit for the year					525,298	525,298
Total comprehensive income for the year		–	–	–	525,298	525,298
Dividends paid and payable	13	–	–	–	(500,000)	(500,000)
Total investments by and distributions to owners		–	–	–	(500,000)	(500,000)
At 31 December 2020		140,525	14,850	60,475	894,892	1,110,742
Profit for the year					600,404	600,404
Total comprehensive income for the year		–	–	–	600,404	600,404
Dividends paid and payable	13	–	–	–	(600,000)	(600,000)
Total investments by and distributions to owners		–	–	–	(600,000)	(600,000)
At 31 December 2021		140,525	14,850	60,475	895,296	1,111,146

The notes on pages 13 to 26 form part of these financial statements.

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Bennett Road, Isleport Business Park, Highbridge, Somerset, TA9 4PW.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The nature of the company's operations and principal activities are the design, manufacture and installation of bespoke wooden orangeries, conservatories and extensions.

(b) Going concern

The ongoing Covid-19 pandemic has not had any detrimental impact on the business. Supply chains have held up well through both Covid and Brexit, and site work has continued to run smoothly with fitters and builders maintaining social distancing measures. The manufacturing facility has been able to continue in operation as it uses significant automation and operatives are able to avoid close contact with colleagues.

The directors, taking account of the above in forming their opinion, are satisfied that the going concern basis of preparation of accounts remains appropriate.

(c) Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102, as such, advantage has been taken of the disclosure exemptions available under paragraph 1.12 of FRS 102 to dispense with the statement of cashflows and related notes.

This information is included in the consolidated financial statements of David Salisbury Group Holdings Limited as at 31 December 2021 and these financial statements may be obtained from the company's registered office.

3. Accounting policies *(continued)*

(d) Judgements and 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 of the revision and future period where the revision affects both current and future periods.

Critical Judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of assets

The tangible fixed assets are periodically reviewed for impairment by the directors based on their knowledge and judgements.

Key sources of estimation uncertainty

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

3. Accounting policies *(continued)*

Revenue recognition - construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the statement of financial position date, measured primarily based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable will be recovered. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.on uncertainty as well as the carrying amount as at the end of the reporting period.)

Depreciation and amortisation

The directors use their knowledge of the business and the industry to estimate the useful life and residual value of tangible assets in order to arrive at applicable deprecation and amortisation rates. In accordance with section 17 of FRS 102, the directors review and update these estimates if there are indicators that current estimates should change.

It must be noted that there is inherent uncertainty within these estimates as factors such as unexpected wear and tear, technological advancement and changes in market prices may result in future changes to the appropriate rate of deprecation.

(e) Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. Recognition occurs when there is an arrangement, primarily in the form of contract or purchase order, with the customer, a determining sales price is established with the customer, performance requirements are achieved and it is probable that economic benefits associated with the transaction will flow to the company. The policies adopted for the recognition of turnover are as follows:

Contract costs

In respect of long term contracts, turnover represents the value of work done in the period, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to stage of completion.

Interest receivable

Interest income is recognised using the effective interest method.

3. Accounting policies *(continued)*

(f) Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, 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.

(g) 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 the profit and loss account.

(h) Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

(i) Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses.

(j) Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

(k) Depreciation

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

Plant and machinery	-	straight line over 3-10 years
Fixtures and fittings	-	straight line over 1-10 years
Motor vehicles	-	25% reducing balance

3. Accounting policies *(continued)*

(l) Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition. The cost formula used to value stock is first-in-first-out.

Provision is made for damaged, obsolete and slow-moving stock where appropriate.

(m) Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

(n) Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are 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 are recognised in income in the period in which it becomes receivable.

(o) 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.

3. Accounting policies *(continued)*

(p) 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 as a finance cost in profit or loss in the period it arises.

(q) Financial instruments

A financial asset or a financial liability is recognised only when the entity 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.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss.

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.

(r) 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 as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2021	2020
	£	£
Construction contracts	14,215,045	12,599,326

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2021	2020
	£	£
United Kingdom	14,155,022	12,585,154
Overseas	60,023	14,172
	14,215,045	12,599,326

5. Other operating income

	2021	2020
	£	£
Government grant income	4,367	170,045

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2021	2020
	£	£
Depreciation of tangible assets	209,535	229,723
(Gains)/loss on disposal of tangible assets	(6,390)	5,465
Foreign exchange differences	1,574	(538)

7. Auditor's remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	19,691	19,800

8. Staff costs

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

	2021	2020
	No.	No.
Production staff	82	83
Administrative staff	8	9
Sales, marketing and distribution staff	30	30
	120	122

8. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Wages and salaries	3,718,854	3,541,506
Social security costs	376,402	343,708
Other pension costs	125,806	119,177
	4,221,062	4,004,391

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	350,011	354,451
Company contributions to defined contribution pension plans	7,518	7,380
	357,529	361,831

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

	2021	2020
	No.	No.
Defined contribution plans	2	2

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

	2021	2020
	£	£
Aggregate remuneration	167,682	156,569
Company contributions to defined contribution pension plans	4,177	4,100
	171,859	160,669

10. Other interest receivable and similar income

	2021	2020
	£	£
Interest on bank deposits	456	4,952

11. Interest payable and similar expenses

	2021	2020
	£	£
Interest on obligations under finance leases and hire purchase contracts	19,273	12,961

12. Tax on profit

Major components of tax (income)/expense

	2021	2020
	£	£
Current tax:		
UK current tax (income)/expense	(219,147)	58,355
Adjustments in respect of prior periods	–	(1,695)
Total current tax	(219,147)	56,660
Deferred tax:		
Origination and reversal of timing differences	192,094	(9,537)
Tax on profit	(27,053)	47,123

Reconciliation of tax (income)/expense

The tax assessed on the profit on ordinary activities for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021	2020
	£	£
Profit on ordinary activities before taxation	573,351	572,421
Profit on ordinary activities by rate of tax	108,937	108,760
Adjustment to tax charge in respect of prior periods	–	(1,695)
Effect of expenses not deductible for tax purposes	1,397	528
Effect of capital allowances and depreciation	(256,218)	8,969
Deferred tax expense (credit) from unrecognised tax loss or credit	192,094	(9,537)
Effect of R&D tax claim	(75,201)	(57,807)
Group tax adjustment	1,938	(2,095)
Tax on profit	(27,053)	47,123

13. Dividends

	2021	2020
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	600,000	500,000

14. Intangible assets

	Website development costs £
Cost	
Additions	29,720
At 31 December 2021	29,720
Amortisation	
At 1 January 2021 and 31 December 2021	–
Carrying amount	
At 31 December 2021	29,720
At 31 December 2020	–

15. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	**Total £**
Cost				
At 1 January 2021	3,202,544	648,887	332,910	4,184,341
Additions	1,046,219	101,642	63,877	1,211,738
Disposals	(15,999)	–	(44,790)	(60,789)
At 31 December 2021	4,232,764	750,529	351,997	5,335,290
Depreciation				
At 1 January 2021	2,746,769	567,797	120,682	3,435,248
Charge for the year	100,185	47,794	61,556	209,535
Disposals	(15,999)	–	(27,608)	(43,607)
At 31 December 2021	2,830,955	615,591	154,630	3,601,176
Carrying amount				
At 31 December 2021	1,401,809	134,938	197,367	1,734,114
At 31 December 2020	455,775	81,090	212,228	749,093

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £	Motor vehicles £	**Total £**
At 31 December 2021	1,114,752	46,907	1,161,659
At 31 December 2020	324,598	55,221	379,819

16. Investments

	Shares in group undertakings £
Cost	
At 1 January 2021 and 31 December 2021	3
Impairment	
At 1 January 2021 and 31 December 2021	–
Carrying amount	
At 31 December 2021	3
At 31 December 2020	3

Subsidiaries

	Class of share	Percentage of shares held
Subsidiary undertakings		
Clifton Joinery Limited	Ordinary shares	100
Clifton Oak Limited	Ordinary shares	100
Oakminster Limited	Ordinary shares	100

The principal activity of Clifton Joinery Limited is a dormant company.

The principal activity of County Oak Limited is a dormant company.

The principal activity of Oakminster Limited is a dormant company.

The profit for the financial period of Clifton Joinery Limited was £nil and the aggregate amount of capital and reserves at the end of the period was £1.

The profit for the financial period of County Oak Limited was £nil and the aggregate amount of capital and reserves at the end of the period was £1.

The profit for the financial period of Oakminster Limited was £nil and the aggregate amount of capital and reserves at the end of the period was £1.

17. Stocks

	2021 £	2020 £
Raw materials and consumables	765,588	455,970

18. Debtors

	2021	2020
	£	£
Trade debtors	7,605	11,702
Amounts owed by group undertakings	868,227	1,280,799
Amounts owed by customers on construction contracts	372,222	282,508
Prepayments and accrued income	1,128,260	1,112,632
Corporation tax repayable	219,147	–
Other debtors	3,986	4,003
	2,599,447	2,691,644

19. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	1,215,406	1,053,016
Accruals	340,817	313,799
Corporation tax	–	58,355
Social security and other taxes	564,823	600,442
Amounts owed to customers on construction contracts	4,041,450	2,430,896
Obligations under finance leases and hire purchase contracts	167,008	95,556
Other creditors	82,517	68,991
	6,412,021	4,621,055

20. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Obligations under finance leases and hire purchase contracts	560,868	115,170

The aggregate of secured liabilities included within obligations under finance leases and hire purchase contracts of £727,876 (2020 £210,726) are secured on the assets to which they relate.

21. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2021	2020
	£	£
Not later than 1 year	167,008	95,556
Later than 1 year and not later than 5 years	560,868	115,170
	727,876	210,726

22. Provisions

	Warranties	Deferred tax (note 23)	**Total**
	£	£	**£**
At 1 January 2021	39,000	98,904	137,904
Additions	–	192,094	192,094
At 31 December 2021	39,000	290,998	329,998

23. Deferred tax

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

	2021	2020
	£	£
Included in provisions (note 22)	290,998	98,904

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

	2021	2020
	£	£
Accelerated capital allowances	290,998	98,904

24. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £125,806 (2020: £119,177).

25. 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	4,367	170,045

26. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	**£**	No.	£
Ordinary shares of £1 each	133,499	133,499	133,499	133,499
Ordinary A shares of £1 each	7,026	7,026	7,026	7,026
	140,525	140,525	140,525	140,525

27. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

28. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	78,298	35,200
Later than 1 year and not later than 5 years	101,816	28,260
	180,114	63,460

The amount of non-cancellable operating lease payments recognised as an expense during the year was £72,493 (2020 £50,767)

29. Other financial commitments

Capital Commitments

Post year end the company has committed to a £157k investment in factory machinery.

30. Controlling party

The ultimate holding company during the year was David Salisbury Group Holdings Ltd (Company Number 11655346), a company registered and incorporated in England and Wales. Copies of financial statements of David Salisbury Group Holdings Ltd may be obtained from Bennett Road, Isleport Business Park, Highbridge, Somerset, TA9 4PW.