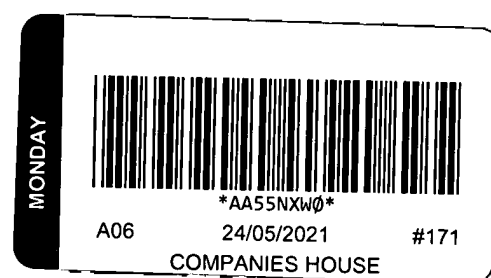


Amended

MY CONSTRUCTION & CARPENTRY LIMITED

Financial Statements

31 March 2020



BRINDLEY GOLDSTEIN LIMITED

Chartered accountant & statutory auditor
103 High Street
Waltham Cross
Herts.
EN8 7AN

MY CONSTRUCTION & CARPENTRY LIMITED

Financial Statements

Year ended 31 March 2020

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MY CONSTRUCTION & CARPENTRY LIMITED

Officers and Professional Advisers

Director	Mr Y. Tal
Registered office	103 High Street Waltham Cross Herts. EN8 7AN
Auditor	Brindley Goldstein Limited Chartered accountant & statutory auditor 103 High Street Waltham Cross Herts. EN8 7AN
Bankers	Bank of Scotland Plc Beauclerc House 3 Queens Road Reading RG1 4AR

MY CONSTRUCTION & CARPENTRY LIMITED

Strategic Report

Year ended 31 March 2020

Business review

The results for the year under review are shown in the annexed financial statements. Turnover increased by 34.1% (2019: 77.7%) and the gross profit margin increased to 15.7% (2019: 14.02%). Administrative expenses are at a similar level to the previous year. The investment in capacity is intended to facilitate continued growth over the next few years. The Director voted dividends but retained profits to augment reserves brought forward. The company's key financial and other performance indicators during the year are shown on the profit and loss account.

The company has continued to focus on providing a high quality service to its customers and the investments referred to above were to support this policy. The company's ratio of current assets to current liabilities is very healthy and has remained relatively constant for both last year and the current year. The company continues to grow and the director believes that that the company has a solid foundation of capital and infrastructure to support its growth.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are divided between market risks, operational risks and financial risks.

Market risk

The company has a relatively small percentage of its potential market and while it is constantly operating in a competitive environment, its capabilities and service levels have allowed it to grow successfully over many years. The company can compete for a wide range of customer types and it can offer competitive pricing and a high quality service.

Operational risk

While the company has a strong presence in the London area, most functions are carried out from its head office. The company has invested in its senior staff and has built up a team of experienced senior management. The investment in infrastructure during the year under review has had the effect of reducing the company's operational risk.

Financial risk

The company has been steadily increasing its capital base and has very low reliance on external finance. The nature of the trade means that there are spikes in working capital during particularly busy periods. The company has addressed this risk by making sure it is always in a position to forecast its cash flows and finance requirements and by enhancing its capital base to meet its predicted financial needs. The company's enhancement of its capital base is part of a plan to reduce its financial risk and currently the company does not need external finance.

Section 172 (1) statement and our stakeholders

The Director, in line with his duties under s172 of the Companies Act 2006, acts in the way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholder, and in doing so have regard, amongst other matters, to the:

- . Likely consequences of any decision in the long term
- . Interests of the company's employees
- . Need to foster the company's business relationships with suppliers, customers, and others. Impact of the company's operations on the community and the environment. Desirability of the company maintaining a reputation for high standards of business conduct

The Director's regard to these matters is embedded in his decision-making process, through the

MY CONSTRUCTION & CARPENTRY LIMITED

Strategic Report *(continued)*

Year ended 31 March 2020

Company's business strategy, culture, governance framework, management information flows and stakeholder engagement processes.

The Company's business strategy is focused on achieving success for the Company in the long-term. In setting this strategy, management considers the impact of relevant factors and stakeholder interests on the Company's performance. Management also identifies principal risks facing the business and sets risk management objectives.

Management, promotes a culture of upholding the highest standards of business conduct and regulatory conduct. Management ensures these core values are communicated to the Company's employees and embedded in the Company's policies and procedures, employee induction and training programmes and its risk control and oversight framework.

Management recognises that building strong and lasting relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate a sustainable business.

The Director is supported in the discharge of his duties by:

. A training programme to further his understanding of his duties and obligations under applicable law and regulation . Processes which ensure the provision of timely management information and escalation through reporting lines to the Board from the Company's business areas, its risk and control functions and support teams. . Agenda planning for Board meetings to provide sufficient time for the consideration and discussion of key matters.

Stakeholders

Management understands the importance of engagement with all of the stakeholders and gives appropriate weighting to the outcome of his decisions for the relevant stakeholder in weighing up how best to promote the success of the Company.

Management regularly discusses issues concerning employees, clients, suppliers, community and environment, regulators, and its shareholder, which he considers in his discussions and in the decision-making process.

In addition to this, the management seeks to understand the interests and views of the Company's stakeholders by engaging with them directly when required. The below summarises the key stakeholders and how we engage with each:

Employees

Our employees contribute to a positive working culture and healthy working environment. Employees are key to the success of our business. In addition to aiming to be a responsible employer in our approach to pay and benefits, we continue to engage with our team to ascertain which training and development opportunities should be made available to improve our team's productivity and individual employees' potential within the business. We continually invest in employee development and wellbeing to create and encourage an inclusive culture within the organisation. Our employee appraisal programme encourages employee feedback and facilitates the opportunity for both employees and managers to set performance goals on an annual basis. Our culture invites different perspectives, new ideas and opportunities for growth. We work hard to ensure employees feel welcome and are valued and recognized for their hard work.

Clients

Clients are at the focus of our business.

Our client service team builds lasting relationships with current and potential clients to understand their objectives and requirements. We are in regular contact with clients to meet their defined reporting and

MY CONSTRUCTION & CARPENTRY LIMITED

Strategic Report *(continued)*

Year ended 31 March 2020

service requirements. This includes attending monthly update calls, and face to face meetings depending on client preferences.

We have implemented a governance framework for the oversight of the provision of the Company's services to our clients. We take a consultative approach with clients focused on building long-term relationships and solving their challenges.

Suppliers

We work with a wide range of suppliers in the UK and globally. We remain committed to being fair and transparent in our dealings with all our suppliers.

The management team has appointed a procurement team which reviews and oversee the appointment and provision of services by suppliers, including initial and ongoing due diligence. This team updates the director on a regular basis.

The Company has procedures requiring due diligence of suppliers as to their internal governance, including for example, their anti-bribery and corruption practices, data protection policies.

Community and Environment

The management's approach to social responsibility, Diversity & the community is of high importance. At MY Construction & Carpentry Limited, we strive to create sustainable value. Corporate social responsibility principles are part of our culture and decision-making process. We take a consultative approach focused on building long-term relationships and solving business problems. Diversity and Inclusion is a key pillar of our culture.

Regulators

We work with our regulators and the government in an open and proactive manner to help develop regulations that meet the needs of all our stakeholders.

Management's intention is to behave responsibly and to ensure that it operates the business in a responsible manner, acting with the high standards and good governance expected of a regulated business like ours. In doing so, we believe we will achieve our long-term business strategy and further develop our reputation in the construction sector.

Shareholders

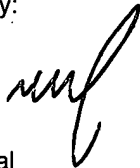
Management also seeks to behave in a responsible manner towards our shareholder. The management team communicates information relevant to the shareholder, such as its financial reporting.

MY CONSTRUCTION & CARPENTRY LIMITED

Strategic Report *(continued)*

Year ended 31 March 2020

This report was approved by the board of directors on 10 March 2021 and signed on behalf of the board by:



Mr Y. Tal
Director

Registered office:
103 High Street
Waltham Cross
Herts.
EN8 7AN

MY CONSTRUCTION & CARPENTRY LIMITED

Director's Report

Year ended 31 March 2020

The director presents his report and the financial statements of the company for the year ended 31 March 2020.

Director

The director who served the company during the year was as follows:

Mr Y. Tal

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Future developments

The company continued to pursue existing activities as builders of residential and commercial property, specialising in the building of luxury residential homes.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

MY CONSTRUCTION & CARPENTRY LIMITED

Director's Report *(continued)*

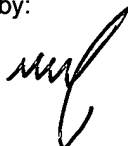
Year ended 31 March 2020

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 10 March 2021 and signed on behalf of the board by:



Mr Y. Tal
Director

Registered office:
103 High Street
Waltham Cross
Herts.
EN8 7AN

MY CONSTRUCTION & CARPENTRY LIMITED**Independent Auditor's Report to the Members of MY CONSTRUCTION & CARPENTRY LIMITED****Year ended 31 March 2020****Opinion**

We have audited the financial statements of MY CONSTRUCTION & CARPENTRY LIMITED (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 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

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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.

MY CONSTRUCTION & CARPENTRY LIMITED

Independent Auditor's Report to the Members of MY CONSTRUCTION & CARPENTRY LIMITED *(continued)*

Year ended 31 March 2020

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 director is 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

MY CONSTRUCTION & CARPENTRY LIMITED

Independent Auditor's Report to the Members of MY CONSTRUCTION & CARPENTRY LIMITED *(continued)*

Year ended 31 March 2020

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.

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 director.
- Conclude on the appropriateness of the director's 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.

MY CONSTRUCTION & CARPENTRY LIMITED

Independent Auditor's Report to the Members of MY CONSTRUCTION & CARPENTRY LIMITED *(continued)*

Year ended 31 March 2020

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.



Mr Charles Goldstein (Senior Statutory Auditor)

For and on behalf of
Brindley Goldstein Limited
Chartered accountant & statutory auditor
103 High Street
Waltham Cross
Herts.
EN8 7AN

10 March 2021

MY CONSTRUCTION & CARPENTRY LIMITED

Statement of Comprehensive Income

Year ended 31 March 2020

	Note	2020 £	2019 £
Turnover	4	113,552,702	84,701,527
Cost of sales		<u>95,721,281</u>	<u>72,825,737</u>
Gross profit		17,831,421	11,875,790
Administrative expenses		<u>6,569,523</u>	<u>5,015,800</u>
Operating profit	5	11,261,898	6,859,990
Other interest receivable and similar income	9	12,360	–
Interest payable and similar expenses	10	<u>23,757</u>	<u>20,524</u>
Profit before taxation		11,250,501	6,839,466
Tax on profit	11	<u>1,565,332</u>	<u>1,304,310</u>
Profit for the financial year and total comprehensive income		<u>9,685,169</u>	<u>5,535,156</u>

All the activities of the company are from continuing operations.

MY CONSTRUCTION & CARPENTRY LIMITED

Statement of Financial Position

31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	1,872,674	1,967,717
Current assets			
Debtors	14	12,809,993	12,812,954
Cash at bank and in hand		9,808,488	8,094,418
		<u>22,618,481</u>	<u>20,907,372</u>
Creditors: amounts falling due within one year	15	<u>21,288,142</u>	<u>17,816,594</u>
Net current assets		<u>1,330,339</u>	<u>3,090,778</u>
Total assets less current liabilities		<u>3,203,013</u>	<u>5,058,495</u>
Creditors: amounts falling due after more than one year	16	–	330,926
Provisions			
Taxation including deferred tax	18	<u>226,480</u>	<u>222,499</u>
Net assets		<u>2,976,533</u>	<u>4,505,070</u>
Capital and reserves			
Called up share capital	20	100,000	100,000
Profit and loss account	21	<u>2,876,533</u>	<u>4,405,070</u>
Shareholders funds		<u>2,976,533</u>	<u>4,505,070</u>

These financial statements were approved by the board of directors and authorised for issue on 10 March 2021, and are signed on behalf of the board by:



Mr Y. Tal
Director

Company registration number: 05348282

MY CONSTRUCTION & CARPENTRY LIMITED

Statement of Changes in Equity

Year ended 31 March 2020

		Called up share capital £	Profit and loss account £	Total £
At 1 April 2018		100,000	5,661,134	5,761,134
Profit for the year			5,535,156	5,535,156
Total comprehensive income for the year		—	5,535,156	5,535,156
Dividends paid and payable	12	—	(6,791,220)	(6,791,220)
Total investments by and distributions to owners		—	(6,791,220)	(6,791,220)
At 31 March 2019 (as previously reported)		100,000	4,405,070	4,505,070
Prior period adjustments		—	1,786,294	1,786,294
At 31 March 2019 (restated)		<u>100,000</u>	<u>6,191,364</u>	<u>6,291,364</u>
Profit for the year			9,685,169	9,685,169
Total comprehensive income for the year		—	9,685,169	9,685,169
Dividends paid and payable	12	—	(13,000,000)	(13,000,000)
Total investments by and distributions to owners		—	(13,000,000)	(13,000,000)
At 31 March 2020		<u>100,000</u>	<u>2,876,533</u>	<u>2,976,533</u>

The notes on pages 16 to 23 form part of these financial statements.

MY CONSTRUCTION & CARPENTRY LIMITED

Statement of Cash Flows

Year ended 31 March 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	9,685,169	5,535,156
<i>Adjustments for:</i>		
Depreciation of tangible assets	379,362	300,640
Other interest receivable and similar income	(12,360)	–
Interest payable and similar expenses	23,757	20,524
Tax on profit	1,565,332	1,304,310
Accrued expenses/(income)	2,030,019	(3,045,122)
<i>Changes in:</i>		
Stocks	–	634,508
Trade and other debtors	(2,024,558)	714,856
Trade and other creditors	2,668,268	9,910,095
Cash generated from operations	14,314,989	15,374,967
Interest paid	(23,757)	(20,524)
Interest received	12,360	–
Tax paid	(596,585)	(600,504)
Net cash from operating activities	<u>13,707,007</u>	<u>14,753,939</u>
Cash flows from investing activities		
Purchase of tangible assets	(284,318)	(744,309)
Proceeds from sale of tangible assets	(1)	–
Net cash used in investing activities	<u>(284,319)</u>	<u>(744,309)</u>
Cash flows from financing activities		
Proceeds from borrowings	–	(4,884,507)
Payments of finance lease liabilities	(494,912)	215,160
Dividends paid	(13,000,000)	(6,791,220)
Net cash used in financing activities	<u>(13,494,912)</u>	<u>(11,460,567)</u>
Net (decrease)/increase in cash and cash equivalents	(72,224)	2,549,063
Cash and cash equivalents at beginning of year	8,094,418	5,545,355
Cash and cash equivalents at end of year	<u>8,022,194</u>	<u>8,094,418</u>

The notes on pages 16 to 23 form part of these financial statements.

MY CONSTRUCTION & CARPENTRY LIMITED

Notes to the Financial Statements

Year ended 31 March 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 103 High Street, Waltham Cross, EN8 7AN, Herts..

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

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

When the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, contract revenue and costs are recognised over the period of the contract by reference to the stage of completion using the 'percentage-of-completion method' to determine the appropriate amount to recognise in a given period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. In determining the stage of completion the company has efficient, co-ordinated systems for cost estimating, forecasting and revenue and costs reporting. The system also requires a consistent judgement (forecast) of the final outcome of the project. Estimates are an inherent part of this process and actual future outcome may deviate from the estimated outcome, specifically for major construction contracts. However, historical experience has also shown that estimates are, on the whole, sufficiently reliable.

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.

MY CONSTRUCTION & CARPENTRY LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Income tax *(continued)*

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.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Plant & Machinery	- 10% straight line
Motor Vehicles	- 20% straight line
Computer Equipment	- 33% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

MY CONSTRUCTION & CARPENTRY LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

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.

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

4. Turnover

Turnover arises from:

	2020	2019
	£	£
Construction contracts	113,552,702	84,701,527

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

5. Operating profit

Operating profit or loss is stated after charging:

	2020	2019
	£	£
Depreciation of tangible assets	379,362	300,640

MY CONSTRUCTION & CARPENTRY LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

6. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>16,250</u>	<u>15,000</u>

7. Staff costs

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

	2020	2019
	No.	No.
Administrative staff	65	49
Management staff	4	4
	<u>69</u>	<u>53</u>

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

	2020	2019
	£	£
Wages and salaries	3,218,289	2,310,672
Social security costs	355,515	244,214
Other pension costs	77,899	42,071
	<u>3,651,703</u>	<u>2,596,957</u>

8. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2020	2019
	£	£
Remuneration	<u>68,496</u>	<u>69,479</u>

9. Other interest receivable and similar income

	2020	2019
	£	£
Interest on loans and receivables	<u>12,360</u>	<u>—</u>

10. Interest payable and similar expenses

	2020	2019
	£	£
Interest on debenture loans	4,495	3,371
Interest on obligations under finance leases and hire purchase contracts	<u>19,262</u>	<u>17,153</u>
	<u>23,757</u>	<u>20,524</u>

MY CONSTRUCTION & CARPENTRY LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

11. Tax on profit

Major components of tax expense

	2020 £	2019 £
Current tax:		
UK current tax expense	2,138,539	1,252,303
Adjustments in respect of prior periods	(577,188)	–
Total current tax	<u>1,561,351</u>	<u>1,252,303</u>
Deferred tax:		
Origination and reversal of timing differences	<u>3,981</u>	<u>52,007</u>
Tax on profit	<u>1,565,332</u>	<u>1,304,310</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £	2019 £
Profit on ordinary activities before taxation	<u>11,250,501</u>	<u>6,839,466</u>
Profit on ordinary activities by rate of tax	2,137,595	1,299,499
Adjustment to tax charge in respect of prior periods	(577,188)	–
Effect of expenses not deductible for tax purposes	5,352	4,811
Effect of capital allowances and depreciation	(4,408)	(52,007)
Effect of deferred tax provision	<u>3,981</u>	<u>52,007</u>
Tax on profit	<u>1,565,332</u>	<u>1,304,310</u>

12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2020 £	2019 £
Paid during the year	<u>13,000,000</u>	<u>6,791,220</u>

MY CONSTRUCTION & CARPENTRY LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

13. Tangible assets

	Short leasehold property £	Plant and machinery £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 April 2019	–	1,867,452	892,041	57,233	2,816,726
Additions	25,097	134,047	104,294	20,880	284,318
Disposals	–	(10,973)	(178,726)	(26,812)	(216,511)
At 31 March 2020	25,097	1,990,526	817,609	51,301	2,884,533
Depreciation					
At 1 April 2019	–	447,251	362,948	38,810	849,009
Charge for the year	–	199,147	163,542	16,673	379,362
Disposals	–	(10,973)	(178,727)	(26,812)	(216,512)
At 31 March 2020	–	635,425	347,763	28,671	1,011,859
Carrying amount					
At 31 March 2020	25,097	1,355,101	469,846	22,630	1,872,674
At 31 March 2019	–	1,420,201	529,093	18,423	1,967,717

14. Debtors

	2020 £	2019 £
Trade debtors	6,855,036	2,645,598
Prepayments and accrued income	1,023,603	3,051,122
Loans	4,838,240	7,116,234
Other debtors	93,114	–
	12,809,993	12,812,954

15. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	15,881,870	8,736,866
Accruals and deferred income	30,000	27,500
Corporation tax	2,217,069	1,252,303
Social security and other taxes	–	670,822
Obligations under finance leases and hire purchase contracts	–	163,986
Directors' loan account	446	669
Other creditors	3,158,757	6,964,448
	21,288,142	17,816,594

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

	2020 £	2019 £
Obligations under finance leases and hire purchase contracts	–	330,926

MY CONSTRUCTION & CARPENTRY LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

17. Finance leases and hire purchase contracts

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

	2020	2019
	£	£
Not later than 1 year	–	180,033
Later than 1 year and not later than 5 years	–	365,870
	–	545,903
Less: future finance charges	–	(50,991)
Present value of minimum lease payments	–	<u>494,912</u>

HP contracts are secured.

18. Provisions

	Deferred tax (note 19) £
At 1 April 2019	222,499
Additions	3,981
At 31 March 2020	<u>226,480</u>

19. Deferred tax

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

	2020	2019
	£	£
Included in provisions (note 18)	<u>226,480</u>	<u>222,499</u>

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

	2020	2019
	£	£
Accelerated capital allowances	<u>226,480</u>	<u>222,499</u>

20. Called up share capital

Authorised share capital

	2020		2019	
	No.	£	No.	£
Ordinary A shares of £1 each	50,000	50,000	50,000	50,000
Ordinary B shares of £1 each	50,000	50,000	50,000	50,000
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

MY CONSTRUCTION & CARPENTRY LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

20. Called up share capital *(continued)*

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary A shares of £1 each	50,000	50,000	50,000	50,000
Ordinary B shares of £1 each	50,000	50,000	50,000	50,000
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

21. Reserves

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

22. Related party transactions

The company was under the control of Mr Y. Tal throughout the current year. Rani Tal Limited owns 100% of the company's issued share capital. Mr Y. Tal is personally interested 100% of the share capital of Rani Tal Limited.

The company paid dividends during the year to Rani Tal Limited of £13,000,000 (2019: £6,791,220).

Rani Tal Limited, which is the holding company, owes MY Construction & Carpentry Limited £4,784,240 (2019: £7,116,234). Rani Tal Limited intends to pay off this loan over the next five years. No interest is being charged on this loan.