

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020
FOR
KJW DRYLINING LIMITED**

CONTENTS OF THE FINANCIAL STATEMENTS
For The Year Ended 30 September 2020

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	4 to 5
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Cash Flow Statement	9
Notes to the Cash Flow Statement	10
Notes to the Financial Statements	11 to 16

KJW DRYLINING LIMITED

COMPANY INFORMATION
For The Year Ended 30 September 2020

DIRECTORS: K J Wright
H E Wright

SECRETARY: H E Wright

REGISTERED OFFICE: Ground Floor, Baird House
Seebeck Place
Knowlhill
Milton Keynes
Buckinghamshire
MK5 8FR

BUSINESS ADDRESS: Pennyfarthing Farm
Water End
Maulden
Bedfordshire
MK45 2BD

REGISTERED NUMBER: 05727084 (England and Wales)

AUDITORS: Fortus Audit LLP
1 Rushmills
Bedford Road
Northampton
Northamptonshire
NN4 7YB

STRATEGIC REPORT
For The Year Ended 30 September 2020

The directors present their strategic report for the year ended 30 September 2020.

REVIEW OF BUSINESS

The company has continued to provide plastering, drylining and related services. Turnover for the year was £16,891,714 (2019 £19,822,999). Operating profit was £369,587 (2019 £455,228).

The company maintains a strong net current assets position.

PRINCIPAL RISKS AND UNCERTAINTIES

The building industry generally has been inherently vulnerable to economic downturns and fluctuations in interest rates. However the company has sought to lessen its exposure to such risks by ensuring it has a wide ranging customer base. With systems and processes in place it can recognise early and adapt to changes in the business environment.

Financial risks are minimised by monitoring payment histories of customers and undertaking credit checks for new business.

FINANCIAL KEY PERFORMANCE INDICATORS

In addition to turnover and operating profit the company's key performance indicators are gross profit margin and liquidity ratio.

Gross profit margin:

2020 4.69%
2019 4.53%
2018 10.22%
2017 12.96%
2016 17.63%

Liquidity ratios

2020 211%
2019 227%
2018 217%
2017 208%
2016 208%

FUTURE DEVELOPMENTS

At present the economy is going through difficult times due to the Covid-19 pandemic. However, the company has continued to trade throughout and demand for plastering and related building services has remained strong.

ON BEHALF OF THE BOARD:

K J Wright - Director

15 June 2021

REPORT OF THE DIRECTORS
For The Year Ended 30 September 2020

The directors present their report with the financial statements of the company for the year ended 30 September 2020.

DIVIDENDS

Interim dividend of £500,000 was paid on the ordinary shares (2019: £69,600). The directors recommend that no final dividend be paid.

RESULTS FOR THE YEAR

The profit for the year, after taxation, amounted to £307,791 (2019: £371,321).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2019 to the date of this report.

K J Wright
H E Wright

DISCLOSURE IN THE STRATEGIC REPORT

As permitted by Paragraph 1A of schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report instead. These matters relate to Business review, Principal risks and uncertainties and Key performance indicators.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 then apply them consistently;
- make judgements 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Fortus Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

K J Wright - Director

15 June 2021

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
KJW DRYLINING LIMITED**

Opinion

We have audited the financial statements of KJW Drylining Limited (the 'company') for the year ended 30 September 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
KJW DRYLINING LIMITED**

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

Auditors' 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 a Report of the Auditors 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. - We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (UK GAAP and the Companies Act 2006) and the relevant tax compliance regulations in the UK.

- We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through review of board minutes and discussions with those charged with governance.

- We assess the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by discussion with management from various parts of the business to understand where they considered there was a susceptibility to fraud. We considered the procedures and controls that the company has established to prevent and detect fraud, and how these are monitored by management, and also any enhanced risk factors such as performance targets.

- Based on our understanding, we designed our audit procedures to identify any non-compliance with laws and regulations identified in the paragraphs above.

- We also performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Gary Woodhall ACA (Senior Statutory Auditor)
for and on behalf of Fortus Audit LLP
1 Rushmills
Bedford Road
Northampton
Northamptonshire
NN4 7YB

15 June 2021

STATEMENT OF COMPREHENSIVE INCOME
For The Year Ended 30 September 2020

		2020	2019
	Notes	£	£
TURNOVER	3	16,891,714	19,822,999
Cost of sales		<u>16,100,332</u>	<u>18,925,442</u>
GROSS PROFIT		791,382	897,557
Administrative expenses		<u>672,366</u>	<u>709,041</u>
		119,016	188,516
Other operating income		<u>250,571</u>	<u>266,712</u>
OPERATING PROFIT	5	369,587	455,228
Interest receivable and similar income	6	<u>16,396</u>	<u>14,647</u>
		385,983	469,875
Interest payable and similar expenses	7	<u>3</u>	<u>3</u>
PROFIT BEFORE TAXATION		385,980	469,872
Tax on profit	8	<u>78,189</u>	<u>98,551</u>
PROFIT FOR THE FINANCIAL YEAR		307,791	371,321
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>307,791</u>	<u>371,321</u>

The notes form part of these financial statements

BALANCE SHEET
30 September 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Tangible assets	10		390,620		427,850
CURRENT ASSETS					
Debtors	11	8,716,213		8,540,433	
Cash at bank and in hand		<u>4,936,300</u>		<u>4,618,640</u>	
		13,652,513		13,159,073	
CREDITORS					
Amounts falling due within one year	12	<u>6,473,371</u>		<u>5,807,576</u>	
NET CURRENT ASSETS			<u>7,179,142</u>		<u>7,351,497</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,569,762</u>		<u>7,779,347</u>
PROVISIONS FOR LIABILITIES	14		<u>36,915</u>		<u>54,291</u>
NET ASSETS			<u><u>7,532,847</u></u>		<u><u>7,725,056</u></u>
CAPITAL AND RESERVES					
Called up share capital	15		2		2
Retained earnings	16		<u>7,532,845</u>		<u>7,725,054</u>
SHAREHOLDERS' FUNDS			<u><u>7,532,847</u></u>		<u><u>7,725,056</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 June 2021 and were signed on its behalf by:

K J Wright - Director

STATEMENT OF CHANGES IN EQUITY
For The Year Ended 30 September 2020

	Called up share capital £	Retained earnings £	Fair value reserve £	Total equity £
Balance at 1 October 2018	2	7,397,099	26,234	7,423,335
Changes in equity				
Dividends	-	(69,600)	-	(69,600)
Total comprehensive income	-	397,555	(26,234)	371,321
Balance at 30 September 2019	<u>2</u>	<u>7,725,054</u>		<u>7,725,056</u>
Changes in equity				
Dividends	-	(500,000)	-	(500,000)
Total comprehensive income	-	307,791	-	307,791
Balance at 30 September 2020	<u>2</u>	<u>7,532,845</u>	<u>-</u>	<u>7,532,847</u>

CASH FLOW STATEMENT
For The Year Ended 30 September 2020

		2020	2019
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	886,544	2,326
Interest paid		(3)	(3)
Tax paid		(19,862)	102,044
Net cash from operating activities		<u>866,679</u>	<u>104,367</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(65,415)	(80,779)
Sale of investment property		-	348,507
Interest received		16,396	14,647
Net cash from investing activities		<u>(49,019)</u>	<u>282,375</u>
Cash flows from financing activities			
Equity dividends paid		(500,000)	(69,600)
Net cash from financing activities		<u>(500,000)</u>	<u>(69,600)</u>
Increase in cash and cash equivalents		<u>317,660</u>	<u>317,142</u>
Cash and cash equivalents at beginning of year	2	4,618,640	4,301,498
Cash and cash equivalents at end of year	2	<u>4,936,300</u>	<u>4,618,640</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
For The Year Ended 30 September 2020

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£	£
Profit before taxation	385,980	469,872
Depreciation charges	102,644	101,859
Loss on disposal of fixed assets	-	6,493
Movement in group creditor	(263,166)	60,987
Movement in associates debtor	436,590	(25,014)
Rounding	1	(2)
Finance costs	3	3
Finance income	(16,396)	(14,647)
	<u>645,656</u>	<u>599,551</u>
Decrease/(increase) in trade and other debtors	87,386	(595,623)
Increase/(decrease) in trade and other creditors	<u>153,502</u>	<u>(1,602)</u>
Cash generated from operations	<u>886,544</u>	<u>2,326</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 September 2020

	30.9.20	1.10.19
	£	£
Cash and cash equivalents	<u>4,936,300</u>	<u>4,618,640</u>

Year ended 30 September 2019

	30.9.19	1.10.18
	£	£
Cash and cash equivalents	<u>4,618,640</u>	<u>4,301,498</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.19	Cash flow	At 30.9.20
	£	£	£
Net cash			
Cash at bank and in hand	<u>4,618,640</u>	<u>317,660</u>	<u>4,936,300</u>
	<u>4,618,640</u>	<u>317,660</u>	<u>4,936,300</u>
Total	<u>4,618,640</u>	<u>317,660</u>	<u>4,936,300</u>

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 September 2020

1. STATUTORY INFORMATION

KJW Drylining Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Amounts recoverable on contracts

The company's revenue is generated by entering into contractual relationships with its customers. The company has a valuation policy that the directors consider to be appropriate and that is applied to its contracts which produces the company's best estimate of the contractual position at that particular time. However, the ultimate outcome of any settlement is inherently uncertain and could therefore have an impact on the future results of the company.

Turnover

Turnover represents net invoiced sales of services and goods, excluding value added tax.

Retention income is recognised when received. Amounts are recognised in trade debtors and accrued expenses at this point.

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 8.33% on reducing balance
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Government grants

Government grants relating to the Coronavirus Job Retention Scheme are recognised in income in the period in which it becomes receivable under the performance model.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 30 September 2020

2. ACCOUNTING POLICIES - continued**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Long term contracts

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

Financial instruments

Basic financial assets, including trade and other receivables, cash and bank balances and investment, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Going concern

The directors have considered the impact of COVID-19 in relation to their assessment of going concern and in their opinion have taken all reasonable steps to mitigate these factors. As at the point of authorising the accounts, and for the foreseeable future, the directors consider the going concern assumption to still be appropriate. The directors acknowledge that given the currently rapidly changing business and social environment, there are likely to be significant unknown factors which may present themselves. Such factors are considered by the directors to represent a general inherent level of risk in relation to the going concern assumption albeit not quantifiable at this time.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 30 September 2020

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2020	2019
	£	£
United Kingdom	16,891,714	19,822,999
	<u>16,891,714</u>	<u>19,822,999</u>

4. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	1,209,434	1,096,315
Social security costs	132,390	114,683
Other pension costs	105,886	180,981
	<u>1,447,710</u>	<u>1,391,979</u>

The average number of employees during the year was as follows:

	2020	2019
Directors and administration	2	2
Direct	<u>27</u>	<u>23</u>
	<u>29</u>	<u>25</u>

	2020	2019
	£	£
Directors' remuneration	60,094	20,880
Directors' pension contributions to money purchase schemes	<u>80,000</u>	<u>160,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Hire of plant and machinery	140,581	110,289
Other operating leases	63,553	63,805
Operating lease income	(20,460)	(26,860)
Depreciation - owned assets	102,645	101,857
Loss on disposal of fixed assets	-	6,493
Auditors' remuneration	<u>22,500</u>	<u>20,000</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£	£
Deposit account interest	<u>16,396</u>	<u>14,647</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 30 September 2020

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Other interest	<u>3</u>	<u>3</u>

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	95,891	98,672
Corporation tax adjustment prior year	<u>(326)</u>	<u>1,375</u>
Total current tax	95,565	100,047
Deferred tax	<u>(17,376)</u>	<u>(1,496)</u>
Tax on profit	<u>78,189</u>	<u>98,551</u>

UK corporation tax has been charged at 19% (2019 - 19%).

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£	£
Profit before tax	<u>385,980</u>	<u>469,872</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	73,336	89,276
Effects of:		
Expenses not deductible for tax purposes	4,685	5,195
Depreciation in excess of capital allowances	17,870	4,201
Adjustments to tax charge in respect of previous periods fixed assets	<u>(326)</u>	<u>1,375</u>
Deferred tax	<u>(17,376)</u>	<u>(1,496)</u>
Total tax charge	<u>78,189</u>	<u>98,551</u>

9. DIVIDENDS

	2020	2019
	£	£
Ordinary shares of £1 each		
Interim	<u>500,000</u>	<u>69,600</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 30 September 2020

10. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 October 2019	120,724	7,194	23,505	674,952	826,375
Additions	-	-	285	65,130	65,415
At 30 September 2020	<u>120,724</u>	<u>7,194</u>	<u>23,790</u>	<u>740,082</u>	<u>891,790</u>
DEPRECIATION					
At 1 October 2019	35,478	5,936	18,871	338,240	398,525
Charge for year	7,101	314	1,182	94,048	102,645
At 30 September 2020	<u>42,579</u>	<u>6,250</u>	<u>20,053</u>	<u>432,288</u>	<u>501,170</u>
NET BOOK VALUE					
At 30 September 2020	<u>78,145</u>	<u>944</u>	<u>3,737</u>	<u>307,794</u>	<u>390,620</u>
At 30 September 2019	<u>85,246</u>	<u>1,258</u>	<u>4,634</u>	<u>336,712</u>	<u>427,850</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	4,387,817	4,281,941
Amounts owed by associates	1,409,989	1,146,823
Amounts recoverable on contracts	2,348,828	2,587,808
Other third party debtors	51,000	51,000
VAT	265,408	187,288
Prepayments	253,171	285,573
	<u>8,716,213</u>	<u>8,540,433</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	1,314,949	1,172,535
Amounts owed to group undertakings	497,577	60,987
Tax	95,891	20,188
Social security and other taxes	187,665	94,643
Other creditors	519,966	493,265
Accrued expenses	3,857,323	3,965,958
	<u>6,473,371</u>	<u>5,807,576</u>

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	63,553	63,553
Between one and five years	<u>47,666</u>	<u>111,218</u>
	<u>111,219</u>	<u>174,771</u>

14. PROVISIONS FOR LIABILITIES

	2020 £	2019 £
Deferred tax		
Accelerated capital allowances	<u>36,915</u>	<u>54,291</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 30 September 2020

14. PROVISIONS FOR LIABILITIES - continued

				Deferred tax
				£
	Balance at 1 October 2019			54,291
	Credit to Statement of Comprehensive Income during year			(17,376)
	Balance at 30 September 2020			<u>36,915</u>

15. CALLED UP SHARE CAPITAL

Alotted, issued and fully paid:					
Number:	Class:	Nominal value:	2020	2019	
			£	£	
2	Ordinary	£1	<u>2</u>	<u>2</u>	

16. RESERVES

				Retained earnings
				£
	At 1 October 2019			7,725,054
	Profit for the year			307,791
	Dividends			(500,000)
	At 30 September 2020			<u>7,532,845</u>

17. RELATED PARTY DISCLOSURES

Included within cash at bank is £168,652 (2019: £196,190) which is in the directors name held in trust beneficially for the company.

Included in debtors falling due within one year is £1,409,989 (2019: £1,146,823) owed from an associated company.

KJW Drylining Limited is a wholly owned subsidiary. Dividends of £500,000 (2019: £69,600) were paid to the parent company.

Key management personnel of the entity or its parent (in the aggregate)

	2020	2019
	£	£
Remuneration	60,094	20,880
Pension contributions	<u>80,000</u>	<u>160,000</u>

18. ULTIMATE CONTROLLING PARTY

The controlling interest is held by the directors.

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.