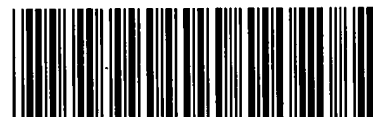


**Company Registration No. 06753256 (England and Wales)**

**STAVE-CON HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2021**

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# **STAVE-CON HOLDINGS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr M Davies Mr J Stanton
<b>Secretary</b>	Mrs J Davies
<b>Company number</b>	06753256
<b>Registered office</b>	6-7 Spring Road Industrial Estate Spring Road Lanesfield Wolverhampton WV4 6LF
<b>Auditor</b>	Jerroms Business Solutions Limited Lumaneri House Blythe Gate Blythe Valley Park Solihull West Midlands B90 8AH

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# **STAVE-CON HOLDINGS LIMITED**

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# STAVE-CON HOLDINGS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 APRIL 2021**

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The directors present the strategic report for the year ended 30 April 2021.

### **Fair review of the business**

Stave-con Holdings principal activity is the hire of plant and machinery to its subsidiary Stave-Con Limited, and therefore the report focuses on the trading of Stave-Con Limited.

This year has possibly been the strangest of years for industry in a generation. The uncertainty of Covid forced the group to streamline and focus, though eventually the expected downturn was nowhere near as first feared for the industry and for the Stave-Con group. There will undoubtedly be repercussions with our supply chain which are still emerging (discussed later) but the demand for our service has remained strong though very competitive.

### **Description of Principal Risks, Uncertainties, Development and Performance**

The two greatest risks and uncertainties are both macroeconomic.

The hangover of Covid has left a supply chain struggling to meet demand fuelled by high disposable income, a housing shortage and a government investing heavily in infrastructure. Consequently, material prices are increasing at an unprecedented rate and in addition there is a scarcity and unreliability of supply irrespective of price.

The other factor is the uncertain longevity of demand, should interest rates rise then it seems likely housing demand will be tempered however, a national housing shortage and Government investment in social housing vehicles are likely to offset any dips in the speculative housing market.

### **Development and performance**

Since the preparation of these accounts demand and turnover has risen significantly, our staff has grown in both number and quality, and we feel we are providing clients with a quality service and that our growth is proving manageable on both a practical and financial level. This has followed through in the consistency of margins.

### **Key performance indicators**

Against our key performance indicators we have performed as follows for the group:

**Sector spread** – Our sector spread has improved with a greater presence in the public works/infrastructure sector, in addition our exposure to the social housing sector remains high, limiting our exposure to the speculative housing sector which we see as the area which presents the greatest of risks.

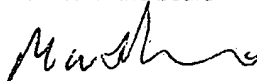
**Gearing** – This remains very low, however the low availability and long lead time on new, quality machinery has meant we haven't invested to the extent we would have liked. We have significant machinery on order and when this arrives it will have a slight impact on our gearing ratio, though decrease our current hire bill.

**Quality** – The management changes instigated last year have continued and are paying dividends, we no longer carry "problem projects" and are benefitting from repeat custom and an enlarged Client base due to improved management, quality, and customer service.

### **Other information and explanations**

On 27th January 2021 the company purchased Spring Road Plant Limited, a previously related party owned by the Directors of the company.

On behalf of the board



Mr M Davies  
Director

24 November 2021

# **STAVE-CON HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 APRIL 2021**

---

The directors present their annual report and financial statements for the year ended 30 April 2021.

### **Principal activities**

The principal activity of the group continued to be that of civil engineers, mostly concentrating on roadworks and industrial contracts.

### **Results and dividends**

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £542,500. The directors do not recommend payment of a further dividend.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M Davies  
Mr J Stanton

### **Auditor**

The auditor, Jerroms, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Mr M Davies  
Director

24 November 2021

## **STAVE-CON HOLDINGS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 APRIL 2021***

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group 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;
- 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# STAVE-CON HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF STAVE-CON HOLDINGS LIMITED

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#### **Opinion**

We have audited the financial statements of Stave-Con Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including 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 group's and the parent company's affairs as at 30 April 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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 group's and parent 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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

# STAVE-CON HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF STAVE-CON HOLDINGS LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 parent 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.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Obtaining third party confirmation of material bank and loan balances.
- Documenting and verifying all significant related party and consolidation balances and transactions.



**STAVE-CON HOLDINGS LIMITED**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF STAVE-CON HOLDINGS LIMITED**

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A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Mr Mark James Eden FCCA (Senior Statutory Auditor)  
For and on behalf of Jerroms Business Solutions Limited

Date: 30 November 2021

Chartered Certified Accountants  
Statutory Auditor

Lumaneri House  
Blythe Gate  
Blythe Valley Park  
Solihull  
West Midlands  
B90 8AH

# STAVE-CON HOLDINGS LIMITED

## GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2021

	Notes	Continuing operations £	Discontinued operations £	30 April 2021 £	Continuing operations £	Discontinued operations £	30 April 2020 £
Turnover	3	32,044,976	-	32,044,976	28,951,161	-	28,951,161
Cost of sales		(28,391,058)	-	(28,391,058)	(26,585,620)	-	(26,585,620)
<b>Gross profit</b>		<b>3,653,918</b>	<b>-</b>	<b>3,653,918</b>	<b>2,365,541</b>	<b>-</b>	<b>2,365,541</b>
Administrative expenses		(2,854,344)	723	(2,853,621)	(1,314,256)	-	(1,314,256)
Other operating income		418,694	-	418,694	40,177	-	40,177
<b>Operating profit</b>	<b>5</b>	<b>1,218,268</b>	<b>723</b>	<b>1,218,991</b>	<b>1,091,462</b>	<b>-</b>	<b>1,091,462</b>
Interest receivable and similar income	8	516	-	516	-	-	-
Interest payable and similar expenses	9	(34,124)	140	(33,984)	(45,142)	-	(45,142)
<b>Profit before taxation</b>		<b>1,184,660</b>	<b>863</b>	<b>1,185,523</b>	<b>1,046,320</b>	<b>-</b>	<b>1,046,320</b>
Tax on profit	11	(272,572)	720	(271,852)	(164,149)	-	(164,149)
<b>Profit for the financial year</b>	<b>26</b>	<b>912,088</b>	<b>1,583</b>	<b>913,671</b>	<b>882,171</b>	<b>-</b>	<b>882,171</b>

Profit for the financial year is all attributable to the owners of the parent company.

# STAVE-CON HOLDINGS LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2021

---

	2021 £	2020 £
Profit for the year	913,671	882,171
Other comprehensive income	-	-
Total comprehensive income for the year	<u>913,671</u>	<u>882,171</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

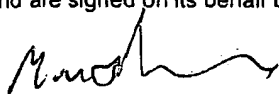
# STAVE-CON HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Goodwill	13	17,788		-	
Tangible assets	14	5,131,351		4,371,333	
		5,149,139		4,371,333	
<b>Current assets</b>					
Stocks	17	2,222,015		1,454,208	
Debtors	18	3,555,767		333,822	
Cash at bank and in hand		1,754,041		888,784	
		7,531,823		2,676,814	
<b>Creditors: amounts falling due within one year</b>	19	(7,633,560)		(2,662,717)	
<b>Net current (liabilities)/assets</b>			(101,737)		14,097
<b>Total assets less current liabilities</b>			5,047,402		4,385,430
<b>Creditors: amounts falling due after more than one year</b>	20		(703,865)		(562,160)
<b>Provisions for liabilities</b>					
Deferred tax liability	22	560,293		411,197	
			(560,293)		(411,197)
<b>Net assets</b>			3,783,244		3,412,073
<b>Capital and reserves</b>					
Called up share capital	24		100		100
Capital redemption reserve	25		1,400		1,400
Profit and loss reserves	26		3,781,744		3,410,573
<b>Total equity</b>			3,783,244		3,412,073

The financial statements were approved by the board of directors and authorised for issue on 24 November 2021 and are signed on its behalf by:



Mr M Davies  
Director

# STAVE-CON HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2021

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 May 2019</b>		100	1,400	3,170,902	3,172,402
<b>Year ended 30 April 2020:</b>					
Profit and total comprehensive income for the year		-	-	882,171	882,171
Dividends	12	-	-	(642,500)	(642,500)
<b>Balance at 30 April 2020</b>		100	1,400	3,410,573	3,412,073
<b>Year ended 30 April 2021:</b>					
Profit and total comprehensive income for the year		-	-	913,671	913,671
Dividends	12	-	-	(542,500)	(542,500)
<b>Balance at 30 April 2021</b>		100	1,400	3,781,744	3,783,244

# STAVE-CON HOLDINGS LIMITED

## COMPANY BALANCE SHEET

AS AT 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	14	4,962,760		4,207,594	
Investments	15	127,814		100	
		<u>5,090,574</u>		<u>4,207,694</u>	
<b>Current assets</b>					
Debtors	18	68,844		4,203	
Cash at bank and in hand		422,744		206,730	
		<u>491,588</u>		<u>210,933</u>	
<b>Creditors: amounts falling due within one year</b>	19	(2,738,691)		(1,821,434)	
<b>Net current liabilities</b>			(2,247,103)		(1,610,501)
<b>Total assets less current liabilities</b>			<u>2,843,471</u>		<u>2,597,193</u>
<b>Creditors: amounts falling due after more than one year</b>	20		(703,865)		(562,160)
<b>Provisions for liabilities</b>					
Deferred tax liability	22	555,244		401,153	
		<u>(555,244)</u>		<u>(401,153)</u>	
<b>Net assets</b>			<u>1,584,362</u>		<u>1,633,880</u>
<b>Capital and reserves</b>					
Called up share capital	24		100		100
Profit and loss reserves	26		1,584,262		1,633,780
<b>Total equity</b>			<u>1,584,362</u>		<u>1,633,880</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £492,982 (2020 - £218,856 profit).

The financial statements were approved by the board of directors and authorised for issue on 24 November 2021 and are signed on its behalf by:



Mr M Davies  
Director

Company Registration No. 06753256

# STAVE-CON HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 May 2019</b>		100	2,057,424	2,057,524
<b>Year ended 30 April 2020:</b>				
Profit and total comprehensive income for the year		-	218,856	218,856
Dividends	12	-	(642,500)	(642,500)
<b>Balance at 30 April 2020</b>		100	1,633,780	1,633,880
<b>Year ended 30 April 2021:</b>				
Profit and total comprehensive income for the year		-	492,982	492,982
Dividends	12	-	(542,500)	(542,500)
<b>Balance at 30 April 2021</b>		100	1,584,262	1,584,362

# STAVE-CON HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	30	2,563,467		1,059,658	
Interest paid		(33,984)		(45,142)	
Income taxes paid		(38,653)		(106,924)	
<b>Net cash Inflow from operating activities</b>		<b>2,490,830</b>		<b>907,592</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(449,046)		(203,825)	
Proceeds on disposal of tangible fixed assets		211,802		294,446	
Purchase of subsidiaries		(45,296)		-	
Receipts arising from loans made		-		10,557	
Interest received		516		-	
<b>Net cash (used in)/generated from investing activities</b>		<b>(282,024)</b>		<b>101,178</b>	
<b>Financing activities</b>					
Payment of finance leases obligations		(801,049)		(1,324,520)	
Dividends paid to equity shareholders		(542,500)		(642,500)	
<b>Net cash used in financing activities</b>		<b>(1,343,549)</b>		<b>(1,967,020)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>865,257</b>		<b>(958,250)</b>	
Cash and cash equivalents at beginning of year		888,784		1,847,034	
<b>Cash and cash equivalents at end of year</b>		<b>1,754,041</b>		<b>888,784</b>	



# STAVE-CON HOLDINGS LIMITED

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	32	1,454,180		953,966	
Interest paid		(33,844)		(45,142)	
Income taxes paid		-		(22,445)	
<b>Net cash inflow from operating activities</b>		<u>1,420,336</u>		<u>886,379</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(749,227)		(192,692)	
Proceeds on disposal of tangible fixed assets		211,802		294,446	
Purchase of subsidiaries		(127,714)		-	
Proceeds on disposal of subsidiaries		-		100	
Interest received		516		-	
Dividends received		792,500		242,500	
<b>Net cash generated from investing activities</b>		<u>127,877</u>		<u>344,354</u>	
<b>Financing activities</b>					
Payment of finance leases obligations		(789,699)		(1,324,520)	
Dividends paid to equity shareholders		(542,500)		(642,500)	
<b>Net cash used in financing activities</b>		<u>(1,332,199)</u>		<u>(1,967,020)</u>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>216,014</u>		<u>(736,287)</u>	
Cash and cash equivalents at beginning of year		206,730		943,017	
<b>Cash and cash equivalents at end of year</b>		<u><u>422,744</u></u>		<u><u>206,730</u></u>	

# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 APRIL 2021**

---

### **1 Accounting policies**

#### **Company information**

Stave-Con Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 6-7 Spring Road Industrial Estate, Spring Road, Lanesfield, Wolverhampton, WV4 6LF.

The group consists of Stave-Con Holdings Limited and all of its subsidiaries.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Business combinations**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

#### **1.3 Basis of consolidation**

The consolidated group financial statements consist of the financial statements of the parent company Stave-Con Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 April 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 1 Accounting policies

(Continued)

#### 1.4 Going concern

The uncertainty of Covid forced the group to streamline and focus, though eventually the expected downturn was nowhere near as first feared for the industry. The trading subsidiary furloughed a small amount of staff for a small amount of time.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to direct staff costs, materials and other direct costs, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	Between 10% and 15% reducing balance
Fixtures and fittings	10% reducing balance
Motor vehicles	25% reducing balance

# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

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### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 APRIL 2021

#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### 1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

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### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

### 1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

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### 1 Accounting policies

(Continued)

#### 1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### 1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.



# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

### 2 Judgements and key sources of estimation uncertainty

In the application of the group'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 periods where the revision affects both current and future periods.

#### 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.

#### Useful lives of depreciable assets

The annual depreciation charge depends primarily on the estimated useful life of the asset and circumstances. The directors annually review the asset life and adjust as necessary to reflect current thinking on the remaining life in light of technological change, prospective economic utilisation and physical condition of the asset concerned. Changes in asset lives can have a significant impact on depreciation charges for the period. It is not practical to quantify the impact of changes to asset lives on an overall basis, as asset lives are individually determined.

#### Stage of completion of work in progress

In determining the amounts of income and profits/losses on long term contract work in progress to be recognised in the financial year, the directors consider factors such as costs incurred to date, estimated costs to complete, any associated risks and past experience of similar contracts.

#### Provision for rectification work

Rectifications, which includes defects and functional errors, are usually granted for a period depending on the contract with the customer. The specific rectification period and terms are part of each individual contract. The value of potential rectification provisions shown in these financial statements is arrived at from relevant market data and Directors' judgement.

#### Loss making projects

The directors will review ongoing projects on a monthly basis and recognise losses immediately for any projects that are expected to make a loss once the project has concluded. Work in progress is not recognised on these projects as losses are recorded in full.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2021	2020
	£	£
Turnover analysed by class of business		
Turnover	32,044,976	28,951,161

# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

3 Turnover and other revenue		(Continued)	
	2021 £	2020 £	
Turnover analysed by geographical market			
United Kingdom	32,044,976	28,951,161	
	2021 £	2020 £	
Other significant revenue			
Interest income	516	-	
Grants received	60,494	40,177	
4 Exceptional item	2021 £	2020 £	
Expenditure			
Subsidiary loan balance written off	-	100	
5 Operating profit	2021 £	2020 £	
Operating profit for the year is stated after charging/(crediting):			
Government grants	(60,494)	(40,177)	
Depreciation of owned tangible fixed assets	426,084	243,277	
Depreciation of tangible fixed assets held under finance leases	410,421	318,619	
(Profit)/loss on disposal of tangible fixed assets	-	36,696	
Amortisation of intangible assets	936	-	
Operating lease charges	37,000	25,750	
6 Auditor's remuneration	2021 £	2020 £	
Fees payable to the company's auditor and associates:			
For audit services			
Audit of the financial statements of the group and company	4,500	4,500	
Audit of the financial statements of the company's subsidiaries	10,200	10,200	
	14,700	14,700	

# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Direct staff	18	19	-	-
Directors	2	3	-	-
Admin staff	9	8	-	-
Total	29	30	-	-

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	2,006,743	1,892,331	-	-
Social security costs	104,735	110,067	-	-
Pension costs	19,487	41,416	-	-
	2,130,965	2,043,814	-	-

### 8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	516	-

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	516	-
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### 9 Interest payable and similar expenses

	2021 £	2020 £
Other finance costs:		
Interest on finance leases and hire purchase contracts	33,984	45,142

# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

### 10 Discontinued operations

#### Spring Road Plant Limited

Following its acquisition in January 2021, Spring Road Plant ceased to trade with effect from 31 May 2021, having transferred all assets and related liabilities to other group members.

The company made a loss of £1,583 in the period from acquisition to 30 April 2021.

### 11 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	122,756	38,653
Adjustments in respect of prior periods	-	139
Total current tax	<u>122,756</u>	<u>38,792</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>149,096</u>	<u>125,357</u>
Total tax charge	<u>271,852</u>	<u>164,149</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	<u>1,185,523</u>	<u>1,046,320</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	225,249	198,801
Tax effect of expenses that are not deductible in determining taxable profit	10,897	209
Adjustments in respect of prior years	-	139
Permanent capital allowances in excess of depreciation	(113,479)	(167,329)
Amortisation on assets not qualifying for tax allowances	89	-
Deferred taxation	149,096	125,357
Loss on sale of tangible assets	-	6,972
Taxation charge	<u>271,852</u>	<u>164,149</u>

### 12 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Interim paid	<u>542,500</u>	<u>642,500</u>

# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

### 13 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 May 2020	-
Additions - business combinations	18,724
At 30 April 2021	18,724
<b>Amortisation and impairment</b>	
At 1 May 2020	-
Amortisation charged for the year	936
At 30 April 2021	936
<b>Carrying amount</b>	
At 30 April 2021	17,788
At 30 April 2020	-

The company had no intangible fixed assets at 30 April 2021 or 30 April 2020.

### 14 Tangible fixed assets

Group	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 May 2020	5,321,110	78,577	1,666,171	7,065,858
Additions	1,242,688	4,129	229,253	1,476,070
Business combinations	332,255	-	-	332,255
Disposals	(328,000)	-	(98,812)	(426,812)
At 30 April 2021	6,568,053	82,706	1,796,612	8,447,371
<b>Depreciation and impairment</b>				
At 1 May 2020	1,806,430	46,055	842,040	2,694,525
Depreciation charged in the year	577,439	3,348	255,718	836,505
Eliminated in respect of disposals	(146,710)	-	(68,300)	(215,010)
At 30 April 2021	2,237,159	49,403	1,029,458	3,316,020
<b>Carrying amount</b>				
At 30 April 2021	4,330,894	33,303	767,154	5,131,351
At 30 April 2020	3,514,680	32,522	824,131	4,371,333

# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 14 Tangible fixed assets

(Continued)

Company	Plant and equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 May 2020	4,942,590	1,666,171	6,608,761
Additions	1,546,998	229,253	1,776,251
Disposals	(328,000)	(98,812)	(426,812)
At 30 April 2021	6,161,588	1,796,612	7,958,200
<b>Depreciation and impairment</b>			
At 1 May 2020	1,559,127	842,040	2,401,167
Depreciation charged in the year	553,565	255,718	809,283
Eliminated in respect of disposals	(146,710)	(68,300)	(215,010)
At 30 April 2021	1,965,982	1,029,458	2,995,440
<b>Carrying amount</b>			
At 30 April 2021	4,195,606	767,154	4,962,760
At 30 April 2020	3,383,463	824,131	4,207,594

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2021 £	2020 £	Company 2021 £	2020 £
Plant and equipment	3,405,693	2,867,747	3,405,693	2,867,747

### 15 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	16	-	-	127,814	100

# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

### 15 Fixed asset investments (Continued)

Movements in fixed asset investments Company	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 May 2020	100
Additions	127,714
At 30 April 2021	127,814
<b>Carrying amount</b>	
At 30 April 2021	127,814
At 30 April 2020	100

### 16 Subsidiaries

Details of the company's subsidiaries at 30 April 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Stave-Con Limited	6&7 Spring Road Industrial Estate, Lanesfield, Wolverhampton, WV4 6LF	Ordinary	100.00
Spring Road Plant Limited	6&7 Spring Road Industrial Estate, Lanesfield, Wolverhampton, WV4 6LF	Ordinary	100.00

### 17 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Work in progress	2,222,015	1,454,208	-	-

### 18 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
<b>Amounts falling due within one year:</b>				
Trade debtors	1,686,562	245,456	23,694	-
Corporation tax recoverable	1,414	1,414	-	-
Other debtors	1,619,092	84,350	45,150	4,203
Prepayments and accrued income	248,699	2,602	-	-
	3,555,767	333,822	68,844	4,203

# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 19 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Obligations under finance leases	21	817,516	644,565	740,185	644,565
Trade creditors		6,066,733	1,810,510	-	-
Amounts owed to group undertakings		-	-	1,762,231	1,167,868
Corporation tax payable		124,675	38,653	-	-
Other taxation and social security		58,286	7,178	-	-
Other creditors		224,561	2,285	222,776	500
Accruals and deferred income		341,789	159,526	13,499	8,501
		<u>7,633,560</u>	<u>2,662,717</u>	<u>2,738,691</u>	<u>1,821,434</u>

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

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Obligations under finance leases	21	<u>703,865</u>	<u>562,160</u>	<u>703,865</u>	<u>562,160</u>

### 21 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Within one year	817,516	644,565	740,185	644,565
In two to five years	703,865	562,160	703,865	562,160
	<u>1,521,381</u>	<u>1,206,725</u>	<u>1,444,050</u>	<u>1,206,725</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.



# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

### 22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
<b>Group</b>		
Accelerated capital allowances	560,293	411,197
	<u>560,293</u>	<u>411,197</u>
	Liabilities 2021 £	Liabilities 2020 £
<b>Company</b>		
Accelerated capital allowances	555,244	401,153
	<u>555,244</u>	<u>401,153</u>
	Group 2021 £	Company 2021 £
<b>Movements in the year:</b>		
Liability at 1 May 2020	411,197	401,153
Charge to profit or loss	149,096	154,091
	<u>149,096</u>	<u>154,091</u>
Liability at 30 April 2021	560,293	555,244
	<u>560,293</u>	<u>555,244</u>

### 23 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	19,487	41,416
	<u>19,487</u>	<u>41,416</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 24 Share capital

Group and company	2021	2020	2021	2020
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary 'A' Shares of £1 each	37	37	37	37
Ordinary 'B' Shares of £1 each	6	6	6	6
Ordinary 'C' Shares of £1 each	7	7	7	7
Ordinary 'D' Shares of £1 each	37	37	37	37
Ordinary 'E' Shares of £1 each	13	13	13	13
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### 25 Capital redemption reserve

	Group	2020	Company	2020
	2021		2021	
	£	£	£	£
At the beginning and end of the year	<u>1,400</u>	<u>1,400</u>	<u>-</u>	<u>-</u>

### 26 Profit and loss reserves

	Group	2020	Company	2020
	2021		2021	
	£	£	£	£
At the beginning of the year	3,410,573	3,170,902	1,633,780	2,057,424
Profit for the year	913,671	882,171	492,982	218,856
Dividends	(542,500)	(642,500)	(542,500)	(642,500)
At the end of the year	<u>3,781,744</u>	<u>3,410,573</u>	<u>1,584,262</u>	<u>1,633,780</u>

### 27 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group	2020	Company	2020
	2021		2021	
	£	£	£	£
Within one year	22,000	22,000	-	-
Between two and five years	88,000	88,000	-	-
In over five years	25,210	47,210	-	-
	<u>135,210</u>	<u>157,210</u>	<u>-</u>	<u>-</u>

# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 28 Related party transactions

#### Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales	
	2021	2020
	£	£
<b>Group</b>		
Other related parties	2,615,200	-

The following amounts were outstanding at the reporting end date:

Amounts due from related parties		2021	2020
		Balance	Balance
		£	£
<b>Group</b>			
Other related parties	1,681,660	-	

### 29 Directors' transactions

Dividends totalling £530,313 (2020 - £626,250) were paid in the year in respect of shares held by the company's directors.

### 30 Cash generated from group operations

	2021	2020
	£	£
Profit for the year after tax	913,671	882,171
<b>Adjustments for:</b>		
Taxation charged	271,852	164,149
Finance costs	33,984	45,142
Investment income	(516)	-
(Gain)/loss on disposal of tangible fixed assets	-	36,696
Amortisation and impairment of intangible assets	936	-
Depreciation and impairment of tangible fixed assets	836,505	561,896
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(767,807)	337,127
(Increase)/decrease in debtors	(3,239,681)	394,677
Increase/(decrease) in creditors	4,514,523	(1,362,200)
<b>Cash generated from operations</b>	<b>2,563,467</b>	<b>1,059,658</b>

# STAVE-CON HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2021

### 31 Analysis of changes in net funds/(debt) - group

	1 May 2020	Cash flows	New finance leases	30 April 2021
	£	£	£	£
Cash at bank and in hand	888,784	865,257	-	1,754,041
Obligations under finance leases	(1,206,725)	712,368	(1,027,024)	(1,521,381)
	<u>(317,941)</u>	<u>1,577,625</u>	<u>(1,027,024)</u>	<u>232,660</u>

### 32 Cash generated from operations - company

	2021	2020
	£	£
Profit for the year after tax	492,982	218,856
<b>Adjustments for:</b>		
Taxation charged	154,091	115,313
Finance costs	33,844	45,142
Investment income	(793,016)	(242,500)
(Gain)/loss on disposal of tangible fixed assets	-	36,696
Depreciation and impairment of tangible fixed assets	809,283	535,126
<b>Movements in working capital:</b>		
(Increase)/decrease in debtors	(64,641)	100,674
Increase in creditors	821,637	144,659
<b>Cash generated from operations</b>	<u>1,454,180</u>	<u>953,966</u>

### 33 Analysis of changes in net debt - company

	1 May 2020	Cash flows	New finance leases	30 April 2021
	£	£	£	£
Cash at bank and in hand	206,730	216,014	-	422,744
Obligations under finance leases	(1,206,725)	789,699	(1,027,024)	(1,444,050)
	<u>(999,995)</u>	<u>1,005,713</u>	<u>(1,027,024)</u>	<u>(1,021,306)</u>

### 34 Auditor's liability limitation agreement

The company has by resolution, waived the need for approval of the auditors' limitation of liability, which has been set at £2,000,000 within the letter of engagement dated 28 January 2021. This approval has been confirmed in the letter of representation dated 24 November 2021.