
BLOK 'N' MESH GLOBAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

BLOK 'N' MESH GLOBAL LIMITED

COMPANY INFORMATION

Directors	Mr J Solesbury Mr L D Payne Mr N Jackson Mr S J Carter Mr S M Worsley
Registered number	12462123
Registered office	Leytonstone House 3 Hanbury Drive Leytonstone London England E11 1GA
Independent auditor	Barnes Roffe LLP Chartered Accountants Leytonstone House Hanbury Drive Leytonstone London E11 1GA
Bankers	Barclays Bank Plc PO Box 2403 London N18 2BY

BLOK 'N' MESH GLOBAL LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

Business review

The Company has performed well in its first full year of trading. Revenue of £52.8m and a gross profit margin of 26.1% are testament to the Company adapting to the challenge of the global Covid pandemic and management's decisive control of cost, inventory and overheads.

The directors have prudently managed cashflows and working capital and are pleased to report net assets of £6.5m at the balance sheet date.

Whilst the economic and political climate remain uncertain, the directors are confident that the business is well positioned to take advantage of a number of future opportunities.

Principal risks and uncertainties

Throughout its operations the Company faces various principal internal and external risks and uncertainties, including working capital management, customer and supplier risk and financial asset risk. The Company manages the risks inherent in its operations in order to mitigate exposure to all forms of risks, where practical.

Employment policy

The Company does not discriminate against anyone on any grounds. The sole criterion for selection or promotion is the suitability of the person for the job. It is the policy of the Company to provide employment to people irrespective of sex, age, religion or disability whenever the demands of the Company and the abilities of the individual will allow. Appropriate levels of training and development are available for all levels and categories of staff.

Outlook

Continuing investment in plant, people and process has placed the business in an excellent position to continue to grow and develop, as well as being well positioned to capitalise on a number of high profile future opportunities.

The business would like to thank all its staff, customers, suppliers and strategic partners for their support.

Research and development activities

The Company is continually investing in R&D activities, constantly developing new, unique and innovative products for a wide range of customers. These R&D initiatives and the new products being developed are keeping the Company at the forefront of temporary fencing, which augurs very well for the future. As such, the Directors intend to continue investing in R&D to maintain this competitive advantage.

This report was approved by the board on 24 February 2022 and signed on its behalf.

.....
Mr J Solesbury

Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

The directors present their report and the financial statements for the year ended 31 August 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £7,076,371 (2020 - £NIL).

The directors do not recommend the payment of a final dividend.

Directors

The directors who served during the year were:

Mr J Solesbury
Mr L D Payne (appointed 1 September 2020)
Mr N Jackson (appointed 1 September 2020)
Mr S J Carter (appointed 1 July 2021)
Mr S M Worsley (appointed 1 July 2021)
Mr H Carter (appointed 1 September 2020, resigned 1 July 2021)
Mr M J Lehwald (appointed 1 September 2020, resigned 1 July 2021)
Mr T R Payne (appointed 1 September 2020, resigned 31 December 2020)

BLOK 'N' MESH GLOBAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24 February 2022 and signed on its behalf.

.....
Mr J Solesbury
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLOK 'N' MESH GLOBAL LIMITED

Opinion

We have audited the financial statements of Blok 'N' Mesh Global Limited (the 'Company') for the year ended 31 August 2021, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor'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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLOK 'N' MESH GLOBAL LIMITED (CONTINUED)

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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLOK 'N' MESH GLOBAL LIMITED (CONTINUED)

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with law and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the Company through discussion with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- The specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, are as follows:
 - Companies Act 2006.
 - FRS102.
 - Health and Safety legislation.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing board minutes and inspecting legal correspondence; and
- Laws and regulations were communicated within the audit team at the planning meeting, and during the audit as any further laws and regulation were identified.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- Making enquires of management as to where they consider there was susceptibility to fraud, their knowledge of actual suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- Reviewing the financial statements and testing the disclosures against supporting documentation;
- Performing analytical procedures to identify any unusual or unexpected trends or anomalies;
- Inspecting and testing journal entries to identify unusual or unexpected transactions;
- Assessing whether judgements and assumptions made in determining significant accounting estimates, including stock obsolescence, depreciation and bad debt provision were indicative of management bias; and
- Investigating the rationale behind significant transactions, or transactions that are unusual or outside the Company's usual course of business.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLOK 'N' MESH GLOBAL LIMITED (CONTINUED)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Barnes (Senior statutory auditor)

for and on behalf of

Barnes Roffe LLP

Chartered Accountants

Leytonstone House

Hanbury Drive

Leytonstone

London

E11 1GA

24 February 2022

BLOK 'N' MESH GLOBAL LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Turnover	4	52,809,499	-
Cost of sales		(39,003,793)	-
Gross profit		13,805,706	-
Administrative expenses		(5,289,133)	-
Other operating income	5	148,986	-
Operating profit	6	8,665,559	-
Interest payable and similar charges	9	(55,012)	-
Profit before tax		8,610,547	-
Tax on profit		(1,534,176)	-
Profit after tax		7,076,371	-
Profit for the year		7,076,371	-
Dividends declared and paid		(600,000)	-
Retained earnings at the end of the year		6,476,371	-

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of income and retained earnings.

The notes on pages 10 to 24 form part of these financial statements.

BLOK 'N' MESH GLOBAL LIMITED
REGISTERED NUMBER: 12462123

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	7,304,829	-
Current assets			
Stocks	13	2,583,167	-
Debtors: amounts falling due within one year	14	16,098,924	-
Cash at bank and in hand		111,305	1
		<u>18,793,396</u>	<u>1</u>
Creditors: amounts falling due within one year	15	(18,103,264)	-
Net current assets		<u>690,132</u>	<u>1</u>
Total assets less current liabilities		<u>7,994,961</u>	<u>1</u>
Creditors: amounts falling due after more than one year	16	(1,176,007)	-
Deferred tax		(342,582)	-
Net assets		<u><u>6,476,372</u></u>	<u><u>1</u></u>
Capital and reserves			
Called up share capital	19	1	1
Profit and loss account	20	6,476,371	-
		<u><u>6,476,372</u></u>	<u><u>1</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 February 2022.

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Mr J Solesbury
Director

The notes on pages 10 to 24 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. General information

Blok 'N' Mesh Global Limited ("the Company") is a company limited by shares, incorporated in England and Wales. Its registered office is Leytonstone House, 3 Hanbury Drive, Leytonstone, London, E11 1GA. The Company's principal activity is that of sale and hire of re-usable fencing.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Crownlea Hire and Sales Limited and these financial statements may be obtained from its registered office.

2.3 Going concern

The Company continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following annual basis:

Improvements to leasehold property	- over the period of the lease
Plant and machinery	- 25% reducing balance
Motor vehicles	- 25% reducing balance
Equipment, fixtures and fittings	- 25% reducing balance
Hire plant	- 9% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of income and retained earnings.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'administrative expenses'.

2.11 Creditors

Short term creditors are measured at the transaction price.

2.12 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an Annual General Meeting.

2.14 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of income and retained earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.15 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

2.16 Hire plant

The Company invests extensively in hire plant for hire contracts. This investment substantially enhances the fleet of hire plant leading to an extended economic life-span. In view of this, the company employs a policy of capitalisation in respect of hire plant expenditure with a corresponding provision for depreciation to recognise the reduction in value of the hire plant over its estimated useful life.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Related party transactions

The Company discloses transactions with related parties. Where appropriate, transactions of a similar nature are aggregate unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions in the financial statements.

2.19 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.20 Research and development

Research and development expenditure is charged to the statement of income and retained earnings in the year in which it is incurred.

2.21 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure. The deferred element of grants is included in creditors as deferred income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.22 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments 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.

a) Critical judgments in applying the entity's accounting policies

No significant judgments have had to be made by management in preparing these financial statements.

b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property, plant and equipment, and note 2.5 for the useful economic lives for each class of assets.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Sale of goods	<u>52,809,499</u>	<u>-</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £	2020 £
Other operating income	128,743	-
Government grants receivable	20,243	-
	<u>148,986</u>	<u>-</u>

BLOK 'N' MESH GLOBAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	1,545,720	-
Loss on sale of tangible fixed assets	37,884	-
Exchange differences	(77,554)	-
Other operating lease rentals	581,286	-
Pension costs	<u>75,486</u>	<u>-</u>

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>25,200</u>	<u>-</u>

The Company has taken the advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

8. Employees

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	5,841,912	-
Social security costs	351,088	-
Cost of defined contribution scheme	75,486	-
	<u>6,268,486</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Administration	49	1
Selling and distribution	111	-
	<u>160</u>	<u>1</u>

BLOK 'N' MESH GLOBAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. Interest payable and similar charges

	2021	2020
	£	£
Other loan interest payable	23,580	-
Invoice financing interest	31,432	-
	<u>55,012</u>	<u>-</u>

10. Taxation

	2021	2020
	£	£
Corporation tax		
Current tax on profits for the year	1,194,506	-
Total current tax	<u>1,194,506</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	339,670	-
Total deferred tax	<u>339,670</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>1,534,176</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Taxation (continued)**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>8,610,547</u>	<u>-</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,636,004	-
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,445	-
Capital allowances for year in excess of depreciation	(351,841)	-
Deferred tax	339,670	-
Adjustment in research and development tax credit leading to a decrease in the tax charge	(49,400)	-
Group relief	(43,702)	-
Total tax charge for the year/period	<u><u>1,534,176</u></u>	<u><u>-</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2021 £	2020 £
Dividends payable	<u><u>600,000</u></u>	<u><u>-</u></u>

BLOK 'N' MESH GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

12. Tangible fixed assets

	Improvements to leasehold property £	Plant and machinery £	Motor vehicles £	Equipment, fixtures and fittings £	Hire plant £	Total £
Cost or valuation						
Additions	70,135	15,854	1,072,639	11,780	3,069,730	4,240,138
Transfers intra group	60,138	125,926	2,188,454	24,554	2,603,311	5,002,383
Disposals	-	-	(404,693)	-	(437,859)	(842,552)
				36,334		
At 31 August 2021	130,273	141,780	2,856,400		5,235,182	8,399,969
Depreciation						
Charge for the year on owned assets	30,392	31,813	154,716	6,629	748,565	972,115
Charge for the year on financed assets	-	-	529,373	-	-	529,373
Disposals	-	-	(245,773)	-	(160,575)	(406,348)
				6,629		
At 31 August 2021	30,392	31,813	438,316		587,990	1,095,140
Net book value						
At 31 August 2021	99,881	109,967	2,418,084	29,705	4,647,192	7,304,829
At 31 August 2020	-	-	-	-	-	-

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Motor vehicles	1,598,799	-

BLOK 'N' MESH GLOBAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

13. Stocks

	2021 £	2020 £
Finished goods and goods for resale	<u>2,583,167</u>	<u>-</u>

Stock recognised in cost of sales during the year as an expense was £28,367,057 (2020 - £Nil).

14. Debtors

	2021 £	2020 £
Trade debtors	12,413,469	-
Amounts owed by connected entities	2,230,174	-
Other debtors	78,558	-
Prepayments and accrued income	1,376,723	-
	<u>16,098,924</u>	<u>-</u>

Trade debtors consist of financed debts.

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Amounts due to invoice financing company	4,031,495	-
Trade creditors	1,471,050	-
Corporation tax	1,358,886	-
Other taxation and social security	534,783	-
Obligations under hire purchase contracts	653,073	-
Other creditors	788,652	-
Accruals and deferred income	9,265,325	-
	<u>18,103,264</u>	<u>-</u>

The amount due to the invoice financing company is secured against the total trade debtor balance.

Net obligations under hire purchase contracts are secured on the assets to which they relate.

BLOK 'N' MESH GLOBAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

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

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	176,007	-
Amounts owed to connected entities	1,000,000	-
	<u>1,176,007</u>	<u>-</u>

17. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	653,073	-
Between 1-5 years	176,007	-
	<u>829,080</u>	<u>-</u>

18. Deferred taxation

	2021 £
Charged to profit or loss	(342,582)
At end of year	<u>(342,582)</u>

The deferred taxation balance is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(342,582)	-
	<u>(342,582)</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. Share capital

	2021	<i>2020</i>
	£	£
Allotted, called up and fully paid		
1 (2020 - 1) Ordinary share of £1.00	<u>1</u>	<u><i>1</i></u>

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

20. Reserves**Profit and loss account**

The profit and loss account represents cumulative distributable profits and losses net of dividends and other adjustments.

21. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £75,486 (2020 - £Nil). Contributions totalling £16,186 (2020 - £Nil) were payable to the fund at the balance sheet date.

22. Commitments under operating leases

At 31 August 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	<i>2020</i>
	£	£
Not later than 1 year	83,330	-
Later than 1 year and not later than 5 years	160,781	-
	<u>244,111</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

23. Related party transactions

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12 and paragraph 33.1A from disclosing transactions with key management and from disclosing other related party transactions as they are with other companies that are wholly owned within the group.

Other

During the year the Company engaged in transactions with entities, all of which are connected by virtue of having directors, members or shareholders in common.

Total sales in the year amounted to £358,062 (2020 - £Nil).

Total purchases in the year amounted to £2,403,728 (2020 - £Nil) and management charges payable amounted to £804,100 (2020 - £Nil).

Rent payable amounted to £252,000 (2020 - £Nil).

Amounts due to these entities at the year end totalled £24,301,673 (2020 - £Nil).

24. Ultimate parent undertaking and controlling party

The ultimate parent Company is Crownlea Hire and Sales Limited. The Company is included in the consolidated accounts prepared by Crownlea Hire and Sales Limited, and copies of those accounts can be obtained from the registered office detailed on the Company information page.

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