

COMPANY REGISTRATION NUMBER: 04716632

R & M WILLIAMS (HOLDINGS) LIMITED

FINANCIAL STATEMENTS

30 November 2020

R & M WILLIAMS (HOLDINGS) LIMITED

FINANCIAL STATEMENTS

Year ended 30 November 2020

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R & M WILLIAMS (HOLDINGS) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Director

Mr M J Williams

Registered office

West Point Industrial Estate

Penarth Road

Cardiff

CF11 8JQ

Auditor

Kilsby & Williams LLP

Chartered Accountants & statutory auditor

Cedar House

Hazell Drive

Newport

South Wales

NP10 8FY

R & M WILLIAMS (HOLDINGS) LIMITED

STRATEGIC REPORT

Year ended 30 November 2020

The group's main goals for 2020 were to continue to develop the business as one of Wales' leading multi-disciplined contractors, deliver strong results for its shareholders and demonstrate strong commercial standing.

Business review

The financial year started well and there was an expectation that this would be another good trading year. Things changed rapidly in early 2020 as the coronavirus pandemic took a grip over the whole of the UK. Thoughts quickly turned to managing the situation to ensure the company would be able to navigate through these difficult and uncertain times. The preservation of cash flow and jobs were foremost in the directors' minds. Whilst the construction division was able to continue to operate throughout the pandemic delivering services in both Health Sector & Replacement Cladding, the maintenance division did not and the reduction in turnover is largely due to the activity of this division being stifled. We are very proud to have been able to continue work at various NHS sites during this period and to have been a provider of essential services. The directors took up the offer to defer PAYE/NI and VAT to preserve cash within the business and maintain liquidity, although this position has now been fully redressed. In addition, where staff were furloughed, furlough grant was claimed to preserve jobs. A resilience fund grant was received from Welsh Government which further helped with general overheads. The directors thought it prudent to make use of the CBILS that was backed by the UK Government but as the economy opened up and circumstances improved, it was decided that a large part the associated loan could be repaid during spring 2021. The intention is to repay this in full as soon as possible. Administrative expenses are constantly reviewed to improve the overall result. This has become especially important in uncertain times. Commensurate with the construction industry, the Directors believe the key business performance indicators are turnover, gross margin and profit before tax. Performance of the company was as follows:

	2020	2019
	£'000	£'000
Turnover	26,178	37,673
Gross profit (%)	11.9	9.9
Profit/(Loss) before taxation	176	180

Risks and uncertainties

With the level of administrative costs, the turnover that must be achieved to break even is significant. Continuity of turnover is reliant on repeatedly winning work especially in the case of the construction division. The emergence of the coronavirus pandemic was completely unprecedented in modern times. The directors believe that the business has demonstrated its resilience and ability to adapt to circumstances during this period. It is slightly ironic that it was not Brexit that would have a significant impact on the business in 2020. Uncertainty for the future largely lies with the ongoing effects of coronavirus on the wider economy and how they may specifically affect this business. To counteract this uncertainty the company will continue to review costs, expand the geographical areas in which it operates and expand in social housing maintenance. It is also further encouraged in the knowledge that many contracts deferred in 2020 will return in 2021 giving the business a strong and speedy recovery in terms of sales.

This report was approved by the board of directors on 24 August 2021 and signed on behalf of the board by:

M Williams Director

R & M WILLIAMS (HOLDINGS) LIMITED

DIRECTOR'S REPORT

Year ended 30 November 2020

The director presents his report and the financial statements of the group for the year ended 30 November 2020 .

Director

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

Mr M J Williams

Dividends

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

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Disclosure of information in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 we set out in the company's strategic report information required by schedule 7 of the Large and Medium sized companies and Groups (Accounts and report) Regulations 2008.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations. Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period. In preparing these financial statements, the director is required to: - select suitable accounting policies and then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information. The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 24 August 2021 and signed on behalf of the board by:

M Williams Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R & M WILLIAMS (HOLDINGS) LIMITED

Year ended 30 November 2020

Opinion

We have audited the financial statements of R & M Williams (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2020 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2020 and of the group's profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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 or the director's 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 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 director's remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the director is responsible for assessing the group's and 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 director either intends to liquidate the group or the parent company or to cease operations, or has 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. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also: - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director. - Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern. - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain

solely responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. Use of our report

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

Jonathan Harrhy

(Senior Statutory Auditor)

For and on behalf of

Kilsby & Williams LLP

Chartered Accountants & statutory auditor

Cedar House

Hazell Drive

Newport

South Wales

NP10 8FY

24 August 2021

R & M WILLIAMS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 30 November 2020

		2020	2019
	Note	£	£
TURNOVER	4	26,177,627	37,673,263
Cost of sales		(23,062,208)	(33,952,362)
		-----	-----
GROSS PROFIT		3,115,419	3,720,901
Administrative expenses		(4,066,708)	(3,549,109)
Other operating income	5	1,217,522	32,787
Exceptional items		(84,251)	—
		-----	-----
OPERATING PROFIT	6	181,982	204,579
Share of profit/(loss) of joint ventures	14	14,590	(18,229)
Interest receivable		2,067	3,171
Interest payable		(22,280)	(9,977)
		-----	-----
PROFIT BEFORE TAXATION		176,359	179,544
Taxation on ordinary activities	11	192,290	—
		-----	-----
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		368,649	179,544
		-----	-----
Profit for the financial year attributable to:			
The owners of the parent company		325,392	157,352
Non-controlling interests		43,257	22,192
		-----	-----
		368,649	179,544
		-----	-----

All the activities of the group are from continuing operations.

R & M WILLIAMS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 November 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	13	923,642	856,021
Investments:	14		
Investments in joint-ventures		19,764	5,174
Other fixed asset investments		16,573	16,573
		959,979	877,768
CURRENT ASSETS			
Stocks	15	1,697,260	1,677,787
Debtors	16	8,782,593	7,964,427
Cash at bank and in hand		2,406,668	1,072,184
		12,886,521	10,714,398
CREDITORS: amounts falling due within one year	17	(8,902,855)	(8,330,589)
NET CURRENT ASSETS		3,983,666	2,383,809
TOTAL ASSETS LESS CURRENT LIABILITIES		4,943,645	3,261,577
CREDITORS: amounts falling due after more than one year	18	(1,421,873)	(108,454)
NET ASSETS		3,521,772	3,153,123
CAPITAL AND RESERVES			
Called up share capital	23	2,400,000	2,400,000
Other reserves	24	(2,398,000)	(2,398,000)
Profit and loss account	24	3,535,743	3,210,351
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		3,537,743	3,212,351
NON-CONTROLLING INTERESTS		(15,971)	(59,228)
		3,521,772	3,153,123

These financial statements were approved by the board of directors and authorised for issue on 24 August 2021 , and are signed on behalf of the board by:

Mr M J Williams

Director

Company registration number: 04716632

R & M WILLIAMS (HOLDINGS) LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
30 November 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	13	142,643	8,435
Investments	14	2,160,010	2,160,010
		-----	-----
		2,302,653	2,168,445
CURRENT ASSETS			
Stocks	15	673,269	673,269
Debtors	16	1,246,496	1,456,891
Cash at bank and in hand		34,186	80,315
		-----	-----
		1,953,951	2,210,475
CREDITORS: amounts falling due within one year	17	(60,514)	(104,319)
		-----	-----
NET CURRENT ASSETS		1,893,437	2,106,156
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		4,196,090	4,274,601
		-----	-----
NET ASSETS		4,196,090	4,274,601
		-----	-----
CAPITAL AND RESERVES			
Called up share capital	23	2,400,000	2,400,000
Profit and loss account	24	1,796,090	1,874,601
		-----	-----
SHAREHOLDERS FUNDS		4,196,090	4,274,601
		-----	-----

The loss for the financial year of the parent company was £ 78,511 (2019: £ 24,144).

These financial statements were approved by the board of directors and authorised for issue on 24 August 2021 , and are signed on behalf of the board by:

Mr M J Williams

Director

Company registration number: 04716632

R & M WILLIAMS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 30 November 2020

	Called up share capital	Other reserves	Profit and loss account	Equity attributable to the owners of the parent company	Non-controlling interests	Total
	£	£	£			
AT 1 DECEMBER 2018	2,400,000	(2,398,000)	3,302,999	3,304,999	(81,420)	3,223,579
Profit for the year	-----	-----	157,352	157,352	22,192	179,544
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	157,352	157,352	22,192	179,544
Dividends paid and payable 12	-----	-----	(250,000)	(250,000)	—	(250,000)
TOTAL INVESTMENTS BY AND DISTRIBUTIONS TO OWNERS	—	—	(250,000)	(250,000)	—	(250,000)
AT 30 NOVEMBER 2019	2,400,000	(2,398,000)	3,210,351	3,212,351	(59,228)	3,153,123
Profit for the year	-----	-----	325,392	325,392	43,257	368,649
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	—	—	325,392	325,392	43,257	368,649
AT 30 NOVEMBER 2020	2,400,000	(2,398,000)	3,535,743	3,537,743	(15,971)	3,521,772

R & M WILLIAMS (HOLDINGS) LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 30 November 2020

	2020	2019
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	368,649	179,544
<i>Adjustments for:</i>		
Depreciation of tangible assets	255,823	201,046
Share of profit of joint ventures	(14,590)	18,229
Interest receivable	(2,067)	(3,171)
Interest payable	22,280	9,977
Loss on disposal of tangible assets	3,505	7,887
Taxation on ordinary activities	(192,290)	–
Accrued expenses/(income)	185,542	(896,202)
<i>Changes in:</i>		
Stocks	(19,473)	259,753
Trade and other debtors	(613,152)	(377,411)
Trade and other creditors	198,175	302,363
	-----	-----
Cash generated from operations	192,402	(297,985)
Interest paid	(22,280)	(9,977)
Interest received	2,067	3,171
	-----	-----
Net cash from/(used in) operating activities	172,189	(304,791)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(331,943)	(310,378)
Proceeds from sale of tangible assets	33,550	23,934
	-----	-----
Net cash used in investing activities	(298,393)	(286,444)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,523,731	–
Repayments of borrowings	(57,037)	–
Payments of finance lease liabilities	(6,006)	–
Other financing cash flow adjustment	–	26,043
	-----	-----
Net cash from financing activities	1,460,688	26,043
	-----	-----
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,334,484	(565,192)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,072,184	1,637,376
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,406,668	1,072,184
	-----	-----

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 November 2020

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is West Point Industrial Estate, Penarth Road, Cardiff, CF11 8JQ.

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets measured at fair value through profit or loss. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below. The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of R & M Williams (Holdings) Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

Judgements and key sources of estimation uncertainty

Key sources of estimation uncertainty Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows: (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 re-assessed 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 13 for the carrying value of the property, plant and equipment, and the depreciation accounting policy for the useful economic lives for each class of asset. (ii) Impairment of debtors The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 16 for the net carrying amount of the debtors and the associated impairment provision. (iii) Accounting for construction contracts Recognition of turnover and profit is based on judgements made in respect of the ultimate profitability of a contract. Such judgements are arrived at through the use of estimate in relation to costs and value of work performed to date and to be performed in bringing contracts to completion, including satisfaction of maintenance responsibilities. These estimates are made by reference to recovery of pre-contract costs, surveys of progress against the construction programme, changes in work scope, the contractual terms under which the work is being performed, including the recoverability of any unagreed income from variations and the likely outcome of discussions on claims, costs incurred and external certification of the work performed. The company has appropriate control procedures to ensure all estimates are determined on a consistent basis and subject to appropriate review and authorisation. (iv) Deferred consideration Recognition of deferred consideration in respect of investment sales is based on judgements made in respect of the future profitability of the subsidiary. When assessing future profitability of the former subsidiary, management considers forecasts and current results. See note 10 & 16 for the carrying amount of this consideration and changes in the estimation.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Exceptional items

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

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

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Leasehold property	-	4% straight line
Plant & machinery	-	25% reducing balance
Fixtures & fittings	-	25% reducing balance
Motor vehicles	-	25% reducing balance

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

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

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. TURNOVER

Turnover arises from:

	2020	2019
	£	£
Construction contracts	26,177,627	37,293,488
Sale of land	—	375,000
Rent	—	4,775
	-----	-----
	26,177,627	37,673,263
	-----	-----

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

5. OTHER OPERATING INCOME

	2020	2019
	£	£
Government grant income	1,168,650	—
Other operating income	48,872	32,787
	-----	-----
	1,217,522	32,787
	-----	-----

6. OPERATING PROFIT

Operating profit or loss is stated after charging:

	2020	2019
	£	£
Depreciation of tangible assets	255,823	201,046
Loss on disposal of tangible assets	3,505	7,887
Impairment of trade debtors	48,271	204,749
	-----	-----

7. AUDITOR'S REMUNERATION

	2020	2019
	£	£
Fees payable for the audit of the financial statements	4,250	10,900
	-----	-----

8. PARTICULARS OF EMPLOYEES

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

	2020	2019
	No.	No.
Production staff	88	87
Administrative staff	49	50
	---	---
	137	137
	----	----

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

	2020	2019
	£	£
Wages and salaries	4,267,533	4,501,855
Social security costs	381,752	402,384
Other pension costs	111,809	99,044
	-----	-----
	4,761,094	5,003,283
	-----	-----

9. DIRECTOR'S REMUNERATION

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

	2020	2019
	£	£
Remuneration	55,840	102,253
	-----	-----

10. EXCEPTIONAL ITEMS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Impairment of deferred share consideration	(84,251)	—	(84,251)	—
	-----	----	-----	----

During the year the company reviewed the estimation of deferred consideration on the FRS Contractor Solutions Limited share sale. As a result the consideration was reduced by £84,251.

11. TAXATION ON ORDINARY ACTIVITIES

Major components of tax income

	2020	2019
	£	£
Deferred tax:		
Origination and reversal of timing differences	(192,290)	—
Taxation on ordinary activities	(192,290)	—
	-----	----

Reconciliation of tax income

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

	2020	2019
	£	£
Profit on ordinary activities before taxation	176,359	179,544
	-----	-----
Profit on ordinary activities by rate of tax	33,508	34,113
Effect of expenses not deductible for tax purposes	8,278	43,881
Utilisation of tax losses	(204,351)	(73,740)
Effect of differences in tax rates	(27,976)	(8,676)
Non qualifying depreciation	1,023	959
Consolidation adjustments	(2,772)	3,463
	-----	-----
Tax on loss	(192,290)	—
	-----	-----

12. DIVIDENDS

	2020	2019
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	—	250,000
	-----	-----

13. TANGIBLE ASSETS

Group	Long leasehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 December 2019	125,007	976,050	325,222	1,186,362	2,612,641
Additions		239,185	11,880	109,434	360,499
Disposals	—	(55,576)	—	(194,867)	(250,443)
	-----	-----	-----	-----	-----
At 30 November 2020	125,007	1,159,659	337,102	1,100,929	2,722,697
	-----	-----	-----	-----	-----
Depreciation					
At 1 December 2019	58,550	657,049	258,801	782,220	1,756,620
Charge for the year	5,000	105,822	18,065	126,936	255,823
Disposals	—	(39,245)	—	(174,143)	(213,388)
	-----	-----	-----	-----	-----
At 30 November 2020	63,550	723,626	276,866	735,013	1,799,055
	-----	-----	-----	-----	-----
Carrying amount					
At 30 November 2020	61,457	436,033	60,236	365,916	923,642
	-----	-----	-----	-----	-----
At 30 November 2019	66,457	319,001	66,421	404,142	856,021
	-----	-----	-----	-----	-----
Company		Plant and machinery £	Motor vehicles £	Total £	
Cost					
At 1 December 2019		—	14,995	14,995	
Additions		141,262	27,653	168,915	
Disposals		(9,000)	—	(9,000)	
		-----	-----	-----	
At 30 November 2020		132,262	42,648	174,910	
		-----	-----	-----	
Depreciation					
At 1 December 2019		—	6,560	6,560	
Charge for the year		20,892	4,815	25,707	
		-----	-----	-----	
At 30 November 2020		20,892	11,375	32,267	
		-----	-----	-----	
Carrying amount					
At 30 November 2020		111,370	31,273	142,643	
		-----	-----	-----	
At 30 November 2019		—	8,435	8,435	
		-----	-----	-----	

Finance leases and hire purchase contracts

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

Group	Motor vehicles £
At 30 November 2020	37,808

At 30 November 2019	15,233

The company has no tangible assets held under finance lease or hire purchase agreements.

14. INVESTMENTS

Group

	Joint ventures	Other investments other than loans	Total
	£	£	£
Share of net assets/cost			
At 1 December 2019	5,174	16,573	21,747
Share of profit or loss	14,590		14,590
	-----	-----	-----
At 30 November 2020	19,764	16,573	36,337
	-----	-----	-----
Impairment			
At 1 December 2019 and 30 November 2020	—	—	—
	-----	-----	-----
Carrying amount			
At 30 November 2020	19,764	16,573	36,337
	-----	-----	-----
At 30 November 2019	5,174	16,573	21,747
	-----	-----	-----

Company

Shares in group undertakings £

Cost	
At 1 December 2019 and 30 November 2020	2,160,010

Impairment	
At 1 December 2019 and 30 November 2020	—

Carrying amount	
At 1 December 2019 and 30 November 2020	2,160,010

At 30 November 2019	2,160,010

Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
R & M Williams Limited	West Point Industrial Estate Pernarth Road Cardiff CF11 8JQ	Ordinary	90
Other significant holdings			
Local Consortium Wales LLP	Morfa House 126 Neath Road Hafod Swansea SA1 2JW	Ordinary	50

Investments in joint ventures

Summarised financial information of jointly controlled entities:

	2020	2019
	£	£
Current assets	40,795	77,512
Current liabilities	21,032	72,338
	-----	-----

Revenues	28,639	233,923
Profit from continuing operations	14,590	(18,229)
	-----	-----

15. STOCKS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Raw materials	53,325	49,191	—	—
Work in progress	1,643,935	1,628,596	673,269	673,269
	-----	-----	-----	-----
	1,697,260	1,677,787	673,269	673,269
	-----	-----	-----	-----

16. DEBTORS

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	4,513,620	3,262,488	—	—
Amounts owed by group undertakings	—	—	786,497	817,157
Deferred tax asset	192,290	—	—	—
Prepayments and accrued income	123,096	147,967	12,724	1,423
Corporation tax repayable	22,495	22,495	—	—
Amounts recoverable on contract	2,837,120	3,885,128	—	—
Other debtors	1,093,972	646,349	447,275	638,311
	-----	-----	-----	-----
	8,782,593	7,964,427	1,246,496	1,456,891
	-----	-----	-----	-----

The debtors above include the following amounts falling due after more than one year:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts recoverable on contract	—	154,880	—	154,880
	---	-----	---	-----

Trade debtors are stated after provisions for impairment of £68,691 (2019 - £154,082).

17. CREDITORS: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts	100,000	—	—	—
Trade creditors	6,006,795	6,045,663	—	—
Accruals and deferred income	1,676,429	1,478,163	3,750	14,800
Social security and other taxes	814,897	440,133	3,919	3,368
Obligations under finance leases and hire purchase contracts	12,217	3,125	—	—
Director loan accounts	52,794	86,100	52,794	86,100
Other creditors	239,723	277,405	51	51
	-----	-----	-----	-----
	8,902,855	8,330,589	60,514	104,319
	-----	-----	-----	-----

Included within creditors due within one year is £112,217 (2019 - £3,125) secured on the assets of the group.

18. CREDITORS: amounts falling due after more than one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts	1,400,000	—	—	—
Obligations under finance leases and hire purchase contracts	21,873	8,415	—	—
Other creditors	—	100,039	—	—
	-----	-----	-----	-----
	1,421,873	108,454	—	—
	-----	-----	-----	-----

Included within creditors due over one year is £1,421,873 (2019 - £8,415) secured on the assets of the group.

19. FINANCE LEASES AND HIRE PURCHASE CONTRACTS

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	12,217	3,125	—	—
Later than 1 year and not later than 5 years	21,873	8,415	—	—
	-----	-----	-----	-----
	34,090	11,540	—	—
	-----	-----	-----	-----

20. DEFERRED TAX

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Included in debtors (note 16)	192,290	—	—	—
	-----	-----	-----	-----

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Accelerated capital allowances	116,619	—	—	—
Unused tax losses	(307,405)	—	—	—
Provisions	(1,504)	—	—	—
	-----	-----	-----	-----
	(192,290)	—	—	—
	-----	-----	-----	-----

The deferred tax asset is expected to decrease next year by approximately £70,000. This is due to the utilisation of losses and the origination of new timing differences on tangible fixed assets

21. EMPLOYEE BENEFITS**Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 111,809 (2019: £ 99,044).

22. GOVERNMENT GRANTS

The amounts recognised in the financial statements for government grants are as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Recognised in other operating income:				
Government grants recognised directly in income	1,168,650	—	—	—

23. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £ 1 each	2,400,000	2,400,000	2,400,000	2,400,000

24. RESERVES

Called up share capital - This represents the nominal value of shares that have been issued. *Merger reserve* - This reserve records the nominal value of shares repurchased by the company. *Profit and loss account* - This reserve records retained earnings and accumulated losses.

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Dec 2019	At 30 Nov 2020	
		Cash flows	
	£	£	£
Cash at bank and in hand	1,072,184	1,334,484	2,406,668
Debt due within one year	(89,225)	(75,786)	(165,011)
Debt due after one year	(8,415)	(1,413,458)	(1,421,873)
	974,544	(154,760)	819,784

26. COMMITMENTS UNDER OPERATING LEASES

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	158,679	242,755	—	—
Later than 1 year and not later than 5 years	8,599	102,349	—	—
	167,278	345,104	—	—

R & M WILLIAMS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 30 November 2020

27. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

Included within other creditors is £52,794 (2019 - £86,100) due to the director. Included within Amounts recoverable on contracts is an amount of £Nil (2019 - £136,589) relating to work completed on properties owned by the director. This balances are interest free and repayable on demand. During the year the director received dividends totalling £Nil (2019 - £250,000).

28. RELATED PARTY TRANSACTIONS

Group

Included within trade debtors is £94,558 (2019 - £47,913) due from Local Consortium Wales LLP. Included within trade creditors is £Nil (2019 - £220,891) due to R&M Williams (Narbeth) Limited. Included within Trade and other debtors is £1,056,642 (2019 - £349,841) due from R&M Williams (Narbeth) Limited. During the year, the group made sales of £Nil (2019 - £101,013) to JT Merchants Limited. During the year, the group purchased goods and services totalling £Nil (2019 - £46,373) and wrote off debts totalling £Nil (2019 - £204,750) due from JT Merchants Limited. During the year, the group made sales of £53,847 (2019 - £161,561) to Local Consortium Wales LLP. During the year, the group made sales of £1,378,126 (2019 - £1,245,109) to R&M Williams (Narbeth) Limited. During the year the group purchased goods and services of £500 (2019 - £Nil) from CBI Interiors Limited. At the year end there was a balance of £2,719 owed from CBI Interiors Limited. Mr M Williams was/is a director and controlling shareholder in JT Merchants Limited (in liquidation), CBI Interiors Limited and R&M Williams (Narbeth) Limited. Local Consortium Wales LLP is a group joint venture.

Company

Included within other debtors is £786,497 (2019 - £817,157) due from R&M Williams Limited. During the prior year the company wrote off debts and paid guarantees amounting to £157,167 for JT Merchants Limited. Included within other debtors is £349,841 (2019 - £349,841) due to R&M Williams (Narbeth) Limited. During the prior year the company sold land totalling £335,000 to R&M Williams (Narbeth) Limited. R&M Williams Limited, JT Merchants Limited and R&M Williams (Narbeth) Limited are all ultimately controlled by Mr M Williams.

29. CONTROLLING PARTY

Mr MJ Williams, a director of the company, controls the company as a result of directly controlling, 100% of the issued share capital of the company.

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