

DIAMOND BUILD (HOLDINGS) PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

TUESDAY



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DIAMOND BUILD (HOLDINGS) PLC

COMPANY INFORMATION

DIRECTORS	J A Gray M.C.I.O.B. S R Lakhani F.C.C.A. P Brooks (appointed 22 May 2015)
COMPANY SECRETARY	S R Lakhani F.C.C.A.
REGISTERED NUMBER	05660708
REGISTERED OFFICE	52-68 Stamford Road Tottenham London N15 4PZ
TRADING ADDRESS	52-68 Stamford Road Tottenham London N15 4PZ
INDEPENDENT AUDITORS	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Euro House 1394 High Road London N20 9YZ
SOLICITORS	Curwens Solicitors Crossfields House Gladbeck Way Enfield Middlesex EN2 7HT

DIAMOND BUILD (HOLDINGS) PLC

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DIAMOND BUILD (HOLDINGS) PLC

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The Group's Directors present their Strategic Report for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group during the year was that of school improvement and extension works, passive fire safety works, environmental works, repairs, alteration, improvement and extension works to existing buildings and housing estates for the local authorities, social landlords, police forces, the fire brigade etc. aids and adaptations to buildings for the disabled.

The largest project that we undertook this year was the completion of a £3.2m school extension and upgrade for the London Borough of Haringey which was to a high standard to the satisfaction of the Client and end users. This contract was carried out whilst the school was operational and we are pleased that the works were undertaken without any reportable accidents occurring to our workforce, school staff or pupils.

During the year we further consolidated our position as a leading specialist in the passive fire upgrade market and have established working relationships with a number of specialist suppliers and increased our Clientele in this sector.

It has been a disappointing year in so far as we have had a high value of work in the 'Pipeline' but due to financial restrictions in the Public Sector, projects we have won have consequently been delayed. Very few orders have been placed within the 6 month acceptance period; this has adversely impacted our turnover this year. However this has meant we have started 2015 with a strong order book.

The reduced activity has enabled us to regroup and review the way that we operate and during the year we have put plans in place to review our systems, our structure, staffing levels etc to cut all unnecessary cost and to focus on controlled growth to ensure we bring the firm back into a strong sustainable profit position in the forthcoming years.

DEVELOPMENTS SINCE THE END OF THE YEAR

We expect our turnover for 2015 to substantially increase to approaching £16 million, with up to 75% already secured.

Paul Hoskins A.C.I.O.B. our Operations Director has been appointed Joint Managing Director with Duncan Forbes M.C.I.O.B. Paul will be responsible for Business Development, Operations, Health & Safety and Human Resources with our Service Support Director Paul Brooks (I.C.T., Buying, Plant, Transport, Stores, & Facilities) reporting to him whilst Duncan is responsible for Estimating, Pre-Qualification Questionnaires and the bidding process, Accounts and the financial side of the Operational teams.

John Gray becomes the Executive Chairman and Satish Lakhani has taken a non-executive role.

We have been appointed to the 'The London Construction Programme' (LCP) in all 21 sections that we have applied for where the results have been published. A further 4 sections are still to be announced but we are hopeful that we will be included on these also enabling us to acquire work in the five sectors of Greater London and five sectors in each area.

This will give us a Pan London profile in the form of 'Kind and Diamond Build Consortium' and we have already had Circa £4 million of enquiries from this source albeit that the LCP has only just been launched.

To make the most of this opportunity and to drive sustainable growth in future years, we have engaged the services of another full time Business Development Manager, Bid Manager and increased our estimating resources by 50%.

DIAMOND BUILD (HOLDINGS) PLC

GROUP STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

QUALIFICATIONS, ACCREDITATIONS & MEMBERSHIPS

We maintained our qualifications / accreditations during the year and updated our systems according to need. Currently we hold the following:-

1. Quality Management - ISO 9001:2008
2. Health & Safety - BS OHSAS 18001:2007
3. Health & Safety – CHAS
4. Health & Safety - SAFE contractor
5. The Environment - ISO14001:2004
6. Investor in People - IIP:2007
7. TRADA 'Q' MARK - Fire Door Registered Installer Scheme
8. FIRAS – 3rd Party accreditation for installing / maintaining fire doors, fire stopping and glazed screens.
9. Construction Skills Certification Scheme - CSCS Platinum Award
10. Chartered Building Company - Chartered Institute Building
11. EXOR - Silver CF 8619
12. Construction Line – 7495
13. Apprenticeship - Recognition Award
14. Training Partnership - Chartered Institute of Building
15. National Federation of Builders member

DEVELOPMENT AND PERFORMANCE

Our concentration this year has been to be included on the new Pan London Construction Framework; 'The London Construction Programme'. To achieve this we have done so by forming a Consortium with Kind & Co Ltd. We have known Kind & Co for a number of years and they are also members of the NFB (National Federation of Builders). With our joint turnover and experience we could submit a creditable bid for inclusion and as such scored highly in the prequalification process which enabled us to bid for the short listed financial sector.

The Group has reviewed its Marketing and Business Development strategy this year and brought in an additional temporary Business Development consultant to assist in this process for a limited time to augment the work of our existing Business Development Manager.

We have renewed our Website and the new site has been configured on a 'Content Management System' which enables us to update it 'in house'.

Further progress is being made by our passive fire prevention division which should account for over 25% of our turnover in 2015.

Several Networking events were managed and attended throughout the year that supported our marketing strategy.

PURCHASING AND FACILITY MANAGEMENT

Our strategy to consolidate our staffing in this department was facilitated during the year by the Director responsible becoming more 'hands on', switching offices to be situated within the stores and yard complex, to ensure that supplies to our sites were maintained and efficient.

Our supply chain management processes again enabled us to review our suppliers on a quarterly basis to ensure prices remained keen from all companies, new and existing, particularly on certain items such as fire prevention supplies.

DIAMOND BUILD (HOLDINGS) PLC

GROUP STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

CONTRACTS

During 2014 a rationalisation of the operational plan has resulted in us focusing our expertise on refurbishment and passive fire work thereby enabling us to deliver high levels of customer satisfaction at sensible margins.

In parallel with rationalising our work streams the operational structure has been refreshed to ensure that focus and resources are concentrated on priority areas. Consequently we have increased our sales, bid writing and estimating team to meet with our plans for growth.

In keeping with our focus on passive fire work we have attained further third-party accreditation through FIRAS for the installation of fire screens along with composite doors and the maintenance of fire doors which positions us as one of the leading providers in this field.

Health & Safety has always been a high priority and it is good to report our incident and frequency rates for accidents remains below the industry average. Re-certification in SHE safety management system again provide us with a solid platform to achieve excellence in health and safety.

We re-established our links with The National Federation of Builders whose influence we believe will contribute to the growing success of medium size enterprises.

A further initiative in 2014 was accreditation to the Fleet Operators Recognition Scheme (FORS) which promotes lawfulness safety and environmental protection and as such meet with our business objective.

The Chief Surveyor has improved the method of cost value reporting such that a greater emphasis is on risk mitigation and improved cash flow within the business.

Operational meetings with the Directors on a monthly basis throughout the year provided a forum to cover a range of matters that must be brought to their attention. This allows the senior management team to ensure that it maintains oversight and control over the material aspects of strategic, financial and operational issues.

INFORMATION COMMUNICATION TECHNOLOGY

Following the investigation of our ICT system by our Consultants, various changes and improvements have been made:-

1. All backups are now carried out 'in house', utilising the Tottenham office as reception.
2. All servers and computers are regularly checked to ensure that they are cleared of all viruses and have software programmes updated. This is a great improvement on previous ITC dealings and they now run efficiently and at increased speeds.
3. The phone system has been updated to serve the Southern Office.
4. The mobile phones were renewed on a cheaper contract with EE with new mobile phones which enable staff to obtain e-mail messages and link with the internet. The new phones give us the capability to work remotely with wireless site set ups.
5. The photocopiers were renewed in both offices with more updated machines which cost 60% of the previous copy price.
6. The remaining computers have been renewed and all service contracts were reviewed.
7. The asset register has improved our ability to ensure that our equipment is properly recorded and signed for.
8. For safety and commercial reasons all the telecommunication systems have been placed with British Telecom.
9. All service agreements have been reviewed and renewed as required to ensure they give good value for money.
10. Our IT Consultant has now been engaged full time since January 2015 and this has greatly reduced any problems relating to our systems this has resulted in an ever decreasing need for the use of external consultant although backup still remains available.

DIAMOND BUILD (HOLDINGS) PLC

GROUP STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2014

11. We are currently in the process of installing a new patch cabinet and associated wiring to include a new fibre optic cable to enable us to rewire and configure our new offices within our existing development.
12. There is a new fully automated telephone answering system in place to direct all incoming calls enabling us to reduce our overhead by negating the need for a manned reception.

HUMAN RESOURCES

The development of our staff and the attraction of good quality people to the business remains our top priority.

We have held our Investors In People certification since 2002 and this was reviewed by an I.I.P. inspector in 2014 who certified that we were still compliant. We are a strong supporter of the principles of I.I.P. and believe that it provides us with an excellent platform to engage with our employees which enables us to ensure that communications within our organisation are effective.

An employee's survey in 2014 has underlined a firm understanding of the business aim and objectives which have been communicated through staff meetings and workshops.

We continued to recruit management trainees throughout 2014, a strategy which as always paid dividends in the long term.

The 2014 training plan developed from staff appraisal has seen us deliver bespoke training across the various business functions.

FINANCIAL KEY PERFORMANCE INDICATORS

The Group's turnover was £8.1m (2013: £10.0m)

Gross Profit Margin was 12.7% (2013: 16.5%).

Overheads were reduced by 33% to £1m (down from £1.5m in 2013)

The net worth for the Group now stands at £647,145 (2013: £557,488).

Debtors Days	Creditor Days
2014 - 44	2014 - 42
2013 - 33	2013 - 33

This report was approved by the board on

30/6/2015

and signed on its behalf.



J A Gray M.C.I.O.B.
Director

DIAMOND BUILD (HOLDINGS) PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 group 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS

The profit for the year, after taxation, amounted to £89,657 (2013 - £26,733).

DIRECTORS

The directors who served during the year were:

J A Gray M.C.I.O.B.
S R Lakhani F.C.C.A.

On 22 May 2015, P Brookes was appointed a director of the company.

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that 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 and the group's auditors are aware of that information.

DIAMOND BUILD (HOLDINGS) PLC

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

AUDITORS

Under section 487(2) of the Companies Act 2006, MHA MacIntyre Hudson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 30/6/2015 and signed on its behalf.


J A Gray M.C.I.O.B.
Director

DIAMOND BUILD (HOLDINGS) PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DIAMOND BUILD (HOLDINGS) PLC

We have audited the financial statements of Diamond Build (Holdings) Plc for the year ended 31 December 2014, set out on pages 9 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

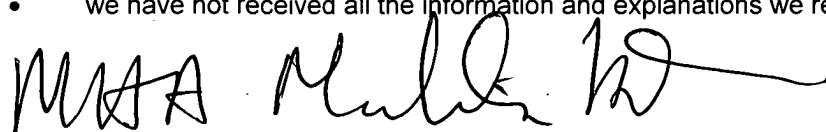
DIAMOND BUILD (HOLDINGS) PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DIAMOND BUILD (HOLDINGS) PLC

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Brendan Sharkey FCA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

Statutory Auditors

Euro House
1394 High Road

London

N20 9YZ

Date:

30th June 2015

DIAMOND BUILD (HOLDINGS) PLC

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

		2014 £	<i>As restated</i> 2013 £
TURNOVER	1,2	8,121,062	9,993,008
Cost of sales		(7,086,136)	(8,347,195)
GROSS PROFIT		1,034,926	1,645,813
Administrative expenses		(998,021)	(1,449,506)
Exceptional administrative expenses		-	(84,229)
Total administrative expenses		(998,021)	(1,533,735)
Other operating income	3	56,068	46,368
OPERATING PROFIT	4	92,973	158,446
Interest receivable and similar income		8,650	2,937
Interest payable and similar charges	7	(13,799)	(21,542)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		87,824	139,841
Tax on profit on ordinary activities	8	1,833	(113,108)
PROFIT FOR THE FINANCIAL YEAR	19	89,657	26,733

All amounts relate to continuing operations.

The notes on pages 14 to 27 form part of these financial statements.

DIAMOND BUILD (HOLDINGS) PLC

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	As restated 2013 £
PROFIT FOR THE FINANCIAL YEAR		89,657	26,733
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		89,657	26,733
Prior year adjustment	9	(54,896)	
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST FINANCIAL STATEMENTS		34,761	

The notes on pages 14 to 27 form part of these financial statements.

DIAMOND BUILD (HOLDINGS) PLC
REGISTERED NUMBER: 05660708

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014

			2014	As restated
	Note	£	£	2013
			£	£
FIXED ASSETS				
Tangible assets	10		43,976	67,589
CURRENT ASSETS				
Stocks	12	82,090		54,870
Debtors	13	2,186,413		2,574,581
Cash at bank and in hand		569,361		904,514
		<u>2,837,864</u>		<u>3,533,965</u>
CREDITORS: amounts falling due within one year	14	<u>(2,234,695)</u>		<u>(2,572,859)</u>
NET CURRENT ASSETS			<u>603,169</u>	<u>961,106</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>647,145</u>	<u>1,028,695</u>
CREDITORS: amounts falling due after more than one year	15		-	(202,385)
PROVISIONS FOR LIABILITIES				
Other provisions	17		-	(268,822)
NET ASSETS			<u><u>647,145</u></u>	<u><u>557,488</u></u>
CAPITAL AND RESERVES				
Called up share capital	18		50,000	50,000
Other reserves	19		50,000	50,000
Profit and loss account	19		547,145	457,488
SHAREHOLDERS' FUNDS	20		<u><u>647,145</u></u>	<u><u>557,488</u></u>

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


J A Gray M.C.I.O.B.
 Director

30/6/2015

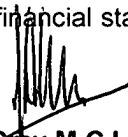
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DIAMOND BUILD (HOLDINGS) PLC
REGISTERED NUMBER: 05660708

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Investments	11		50,003		50,003
CURRENT ASSETS					
Debtors	13	405,600		405,600	
CREDITORS: amounts falling due within one year	14	(405,603)		(405,603)	
NET CURRENT LIABILITIES			(3)		(3)
NET ASSETS			<u>50,000</u>		<u>50,000</u>
CAPITAL AND RESERVES					
Called up share capital	18		<u>50,000</u>		<u>50,000</u>
SHAREHOLDERS' FUNDS	20		<u>50,000</u>		<u>50,000</u>

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


J A Gray M.C.I.O.B.
 Director

30/6/2015

The notes on pages 14 to 27 form part of these financial statements.

DIAMOND BUILD (HOLDINGS) PLC

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	21	(114,658)	345,244
Returns on investments and servicing of finance	22	(5,149)	(18,605)
Taxation	22	(5,936)	12,645
Capital expenditure and financial investment	22	(7,024)	-
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(132,767)	339,284
Financing	22	(202,386)	164,950
(DECREASE)/INCREASE IN CASH IN THE YEAR		(335,153)	504,234

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
(Decrease)/Increase in cash in the year	(335,153)	504,234
Cash outflow from decrease in debt and lease financing	202,386	(164,950)
MOVEMENT IN NET DEBT IN THE YEAR	(132,767)	339,284
Net funds at 1 January 2014	702,129	362,845
NET FUNDS AT 31 DECEMBER 2014	569,362	702,129

The notes on pages 14 to 27 form part of these financial statements.

DIAMOND BUILD (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

1.3 Turnover

The turnover shown in the profit and loss account represents amounts receivable for goods and services provided and a valuation of amounts recoverable on contracts at the year end exclusive of Value Added Tax.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short-term leasehold property	-	over the term of the lease
Motor vehicles	-	20% straight line
Computer equipment	-	33.3% straight line

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.7 Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

DIAMOND BUILD (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.8 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value.

Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the cost of realisation. Provision is made where necessary for slow moving, obsolete and damaged stocks.

The cost of raw materials and consumable stores, consists of the purchase price including transport and handling costs, less trade discount, calculated on a first in first out basis.

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

1.11 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

1.12 Amounts recoverable on contracts

Amounts recoverable on contracts comprises work completed or measured parts thereof not yet invoiced to customers and is stated after making due allowances for irrecoverable amounts. Profit on contracting activities is taken as work progresses, unless a more conservative approach is necessary. The percentage margin on each individual contract is the lower of the margin earned to date and that forecast to completion, taking account of agreed claims.

Full provision is made for all known or expected losses on individual contracts.

DIAMOND BUILD (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES (continued)

1.13 Financial instruments

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

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the group.

All turnover arose within the United Kingdom.

3. OTHER OPERATING INCOME

	2014	2013
	£	£
Other operating income	56,068	46,368

4. OPERATING PROFIT

The operating profit is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the group	30,637	47,577
Auditors' remuneration	12,000	12,000
Auditors' remuneration - for other services	15,763	12,470
Operating lease rentals:		
- plant and equipment	37,192	12,515
- land and buildings	84,500	88,000
Redundancy costs	-	84,229

DIAMOND BUILD (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	1,693,938	1,675,054
Social security costs	160,727	128,846
Other pension costs	47,135	52,664
	<u>1,901,800</u>	<u>1,856,564</u>

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

	2014 No.	2013 No.
Production staff	19	18
Administrative staff	13	10
Management staff	25	22
	<u>57</u>	<u>50</u>

6. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	<u>199,603</u>	<u>251,320</u>
Group pension contributions to defined contribution pension schemes	<u>42,019</u>	<u>19,978</u>

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £72,963 (2013 - £80,652).

7. INTEREST PAYABLE

	2014 £	2013 £
On bank loans and overdrafts	4,255	16,385
On other loans	9,544	5,157
	<u>13,799</u>	<u>21,542</u>

DIAMOND BUILD (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
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8. TAXATION

	2014 £	As restated 2013 £
Analysis of tax credit in the year		
Current tax (see note below)		
UK corporation tax (credit)/charge on profit for the year	(1,833)	2,765
Adjustments in respect of prior periods	-	(20,424)
Total current tax	<u>(1,833)</u>	<u>(17,659)</u>
Deferred tax (see note 16)		
Origination and reversal of timing differences	-	130,767
Tax on profit on ordinary activities	<u>(1,833)</u>	<u>113,108</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - lower than) the standard rate of corporation tax in the UK of 20% (2013 - 20%). The differences are explained below:

	2014 £	As restated 2013 £
Profit on ordinary activities before tax	<u>87,824</u>	<u>139,841</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 20%)	17,565	-
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,676	-
Capital allowances for year in excess of depreciation	2,613	-
Use of tax losses brought forward	(7,349)	-
Unrelieved tax losses carried forward	(1,833)	-
Other non-tax adjustments	(15,505)	(17,659)
Current tax credit for the year (see note above)	<u>(1,833)</u>	<u>(17,659)</u>

9. PRIOR YEAR ADJUSTMENT

The previous year's accounts have been amended in respect to the deferred tax asset. This follows a review of the deferred tax position of the group which has resulted in a reduction of £54,896 in the deferred tax asset for the year ended 31 December 2013.

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**NOTES TO THE FINANCIAL STATEMENTS
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10. TANGIBLE FIXED ASSETS

Group	Short-term leasehold property £	Motor vehicles £	Computer equipment £	Total £
Cost				
At 1 January 2014	28,310	294,200	-	322,510
Additions	-	-	7,024	7,024
At 31 December 2014	28,310	294,200	7,024	329,534
Depreciation				
At 1 January 2014	21,638	233,283	-	254,921
Charge for the year	3,150	25,956	1,531	30,637
At 31 December 2014	24,788	259,239	1,531	285,558
Net book value				
At 31 December 2014	3,522	34,961	5,493	43,976
At 31 December 2013	6,672	60,917	-	67,589

DIAMOND BUILD (HOLDINGS) PLC

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11. FIXED ASSET INVESTMENTS

Company - Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Diamond Build Plc - Building Contractors	Ordinary Shares	100 %
Diamond Fire Safety Limited - Fire Protection 'turnkey' Solutions	Ordinary Shares	100 %
P J Diamond (Building Contractors) Limited - Dormant	Ordinary Shares	100 %

All the above companies are incorporated in England & Wales and have year ends of 31 December 2014.

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2014 and 31 December 2014	50,003
Net book value	
At 31 December 2014	50,003
<i>At 31 December 2013</i>	<i>50,003</i>

12. STOCKS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Raw materials	82,090	54,870	-	-

There was no material difference between the replacement cost of stocks and the amounts stated above.

DIAMOND BUILD (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
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13. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2014	<i>As restated</i> 2013	2014	2013
	£	£	£	£
Trade debtors	1,223,993	1,194,462	-	-
Amounts owed by group undertakings	-	-	405,600	405,600
Other debtors	181,410	93,116	-	-
Prepayments and accrued income	42,373	54,266	-	-
Amounts recoverable on long term contracts	402,293	896,393	-	-
Deferred tax asset (see note 16)	336,344	336,344	-	-
	<u>2,186,413</u>	<u>2,574,581</u>	<u>405,600</u>	<u>405,600</u>

Included in debtors is £336,344 (2013: £336,344) due in more than one year.

**14. CREDITORS:
Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	775,174	729,195	-	-
Amounts owed to group undertakings	-	-	405,603	405,603
Corporation tax	-	2,765	-	-
Other taxation and social security	243,667	345,359	-	-
Other creditors	213	1,680	-	-
Accruals and deferred income	1,215,641	1,493,860	-	-
	<u>2,234,695</u>	<u>2,572,859</u>	<u>405,603</u>	<u>405,603</u>

Barclays Bank PLC has a fixed charge over monies owed to it.

**15. CREDITORS:
Amounts falling due after more than one year**

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Other creditors	-	202,385	-	-

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

DIAMOND BUILD (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
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	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Other creditors	-	202,385	-	-
Directors' loan accounts	-	-	-	-
Total	-	202,385	-	-

16. DEFERRED TAXATION

	Group		Company	
	2014	<i>As restated</i> 2013	2014	2013
	£	£	£	£
At beginning of year	336,344	467,111	-	-
Released during/(charge for) the year (P&L)	-	(130,767)	-	-
At end of year	336,344	336,344	-	-

The deferred taxation balance is made up as follows:

	Group		Company	
	2014	<i>As restated</i> 2013	2014	2013
	£	£	£	£
Tax losses available	329,199	329,199	-	-
Other timing differences	7,145	7,145	-	-
Total	336,344	336,344	-	-

DIAMOND BUILD (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

17. PROVISIONS

Group	£
At 1 January 2014	268,822
Movement in year	(268,822)
At 31 December 2014	-

The Company has no provisions

18. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
50,000 Ordinary Shares shares of £1 each	50,000	50,000

19. RESERVES

Group	Capital redemption reserve £	Profit and loss account £
At 1 January 2014 (as previously stated)	50,000	512,384
Prior year adjustment (note 9)		(54,896)
At 1 January 2014 (as restated)		457,488
Profit for the financial year		89,657
At 31 December 2014	50,000	547,145

DIAMOND BUILD (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2014 £	2013 £
Opening shareholders' funds	612,384	530,755
Prior year adjustments (note 9)	(54,896)	
	<u>557,488</u>	
Opening shareholders' funds (as restated)	557,488	
Profit for the financial year	89,657	26,733
	<u>647,145</u>	<u>557,488</u>
Closing shareholders' funds	<u>647,145</u>	<u>557,488</u>

Company	2014 £	2013 £
Shareholders' funds at 1 January 2014 and 31 December 2014	<u>50,000</u>	<u>50,000</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the year dealt with in the accounts of the company was £NIL (2013 - £NIL).

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	92,973	158,446
Depreciation of tangible fixed assets	30,637	47,577
Increase in stocks	(27,220)	(2,374)
Decrease/(increase) in debtors	393,172	(143,128)
(Decrease)/increase in creditors	(335,398)	359,937
Decrease in provisions	(268,822)	(75,214)
	<u>(114,658)</u>	<u>345,244</u>
Net cash (outflow)/inflow from operating activities	<u>(114,658)</u>	<u>345,244</u>

22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	8,650	2,937
Interest paid	(13,799)	(21,542)
	<u>(5,149)</u>	<u>(18,605)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(5,149)</u>	<u>(18,605)</u>

DIAMOND BUILD (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
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22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2014 £	2013 £
Taxation		
Corporation tax	(5,936)	12,645
	<u> </u>	<u> </u>
	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(7,024)	-
	<u> </u>	<u> </u>
	2014 £	2013 £
Financing		
Repayment of other loans	(202,386)	164,950
	<u> </u>	<u> </u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
Cash at bank and in hand	904,514	(335,153)	-	569,361
Debt:				
Debts due within one year	-	202,386	(202,385)	1
Debts falling due after more than one year	(202,385)	-	202,385	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net funds	702,129	(132,767)	-	569,362
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

DIAMOND BUILD (HOLDINGS) PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

24. DERIVATIVES

The group has no derivatives.

25. OPERATING LEASE COMMITMENTS

At 31 December 2014 the group had annual commitments under non-cancellable operating leases as follows:

Group	Land and buildings	
	2014	2013
Expiry date:	£	£
Between 2 and 5 years	84,500	-
After more than 5 years	-	91,500
	<u>84,500</u>	<u>91,500</u>

26. RELATED PARTY TRANSACTIONS

During the previous year, Mrs J Gray, the wife of the Director J A Gray M.C.I.O.B, provided a loan of £200,000, under debenture to the group. The group also received services from Mrs J Gray of £427. As at the year end £- (2013: £202,385) was due to her. Interest of 8% accrues on the loan and is payable monthly in arrears. During the year, interest of £9,544 (2013: £15,858) was paid.

During the year the group paid rent of £60,000 (2013: £63,500) to the Diamond Build Plc Executive Pension Scheme. Mr J A Gray, a Director, is also a trustee and a beneficiary of the scheme.

During the year the group provided services totalling £62,974 (2013: £46,248) to and received services totalling £2,576 from Diamond Facilities Support Limited.

During the year the group received services totalling £99,882 (2013: £11,914) from and provided services totalling £20,000 to Diamond Leasing Ltd, a company which is controlled by the shareholder and Director, J A Gray. At the year end £30,000 (2013: £23,834) was due from Diamond Leasing Ltd.

27. CONTINGENCIES

Performance bonds to a value of £188,848 (2013: £279,321) existed at 31 December 2014. Liability would only arise if the group failed to complete the relevant contracts. The likelihood of this is considered by the Directors to be remote and accordingly, no accounting provision has been made.

28. TRANSACTIONS WITH DIRECTORS

At the year end, P Hoskins a director of Diamond Build Plc, owed the group £Nil (2013: £1,488).

DIAMOND BUILD (HOLDINGS) PLC

**NOTES TO THE FINANCIAL STATEMENTS
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29. CONTROLLING PARTY

Throughout the current and previous year, the group was under the control of J A Gray M.C.I.O.B. who was beneficially interested in 100% of the issued share capital of the parent company, Diamond Build (Holdings) Plc.