

Registered number: 05660708

DIAMOND BUILD GROUP PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020



DIAMOND BUILD GROUP PLC

COMPANY INFORMATION

Directors	J A Gray MCIOB MIOD P Brooks
Company secretary	S F James
Registered number	05660708
Registered office	52-68 Stamford Road Tottenham London N15 4PZ
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 6th Floor 2 London Wall Place London EC2Y 5AU
Solicitors	Curwens Solicitors Crossfields House Gladbeck Way Enfield Middlesex EN2 7HT

DIAMOND BUILD GROUP PLC

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DIAMOND BUILD GROUP PLC

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The Group's Directors present their Group Strategic Report for the year ending 31 December 2020.

Principal activities and business review

Diamond Build plc, Diamond Special Works Ltd and Diamond Fire Safety Ltd are all now well established each with its own Board of Directors. The parent company, Diamond Build Group plc's Board of Directors has also been put into place thus finalising the structure of the construction services Group.

- Diamond Build Group Plc – this is the Parent Company which is responsible for the services that enables the individual Companies to trade successfully i.e., Accounts, Marketing, Business Development, Bid Writing, Estimating, Logistics, Buying, Information Communication Technology etc.
- Diamond Build Plc – Will concentrate on larger works generally above £2m in value up to circa £20m within the London and South East of England.
- Diamond Special Works Ltd – Will be responsible for all types of works up to £2m in value within Greater London and some areas of the South East of England – obviously there may be some cross over in contracts between Diamond Build and Special Works according to location / resources etc.
- Diamond Fire Safety Ltd – A specialist company that is qualified and able to undertake all manor or fire improvement works to existing buildings within a range of £100k to multi-million frameworks – we first started carrying out this type of work over ten years ago and have gradually formed a specialised qualified team that is able to comply with the regulations applicable to Building work as well as the intricacies of the Fire Rule and Regulations. – Covering London and the South East of England.

Obviously 2020 has been a difficult year for all construction companies since we had to close our operations in April 2020 for a month. However, we were obliged to keep one of our sites open during the lockdown period because it was an essential site, consequently we had to keep some head offices services going to enable works to continue – unfortunately, we were unable to recover the cost of these services under the terms of the contract. Recommencing works on the jobs that we had to stop was not easy and we again incurred costs which we were unable to recover.

We made use of the Government furlough scheme as best as we could, but it is impossible to shut an operational business down and restart without costs and consequences. We have managed to keep redundancies to a minimum, we have lost some operational staff because of the lockdowns and unavoidable delays in our sector and have then had to incur recruitment costs to replace them when the new contracts came on stream.

Our work is predominately for the public sector and although all our contract teams were fully operational many of our Public Sector Clients staff were working from home which has caused many problems.

We were just starting to get a momentum going when the Government called for another lockdown in November 2020. The construction industry was allowed to continue but the effect in the Public sector was to slow everything down delaying the approval of submitted tenders, placing of orders, the receipt of instructions on current jobs etc.

The net result of this was to reduce our turnover significantly so that our target for the group turnover for 2020 went from a forecast £25 million to just over half of that to just over £13m.

DIAMOND BUILD GROUP PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Principal activities and business review (continued)

This epidemic has delayed several of our contracts, whilst we have still maintained our estimating / bid service during this period. Consequently, we are seeing a totally different workload picture for 2021 and beyond. We had expected to see a year-on-year growth on turnover due to Diamond Build plc only carrying out larger building contracts leaving the smaller jobs to Diamond Special Works. Therefore, providing we are not hit by anymore 'lockdowns' or supply problems etc because of the pandemic our targets for the three Companies for 2021 (Special Works division will be traded as an individual company in 2021) are as follows: -

- Diamond Build plc £20,000,000
- Diamond Special Works Ltd £ 6,000,000
- Diamond Fire Safety Ltd £ 4,000,000

The target for the group is therefore £30,000,000 for 2021.

To enable the Group to cope with the above increase in turnover and the anticipated increase going forward the staffing arrangements are described in the 'General Matters' below.

To compensate us for the disruption caused by the COVID pandemic the Government via Barclays Bank has granted us a CBILS loan for £750,000 which helps enormously with the cash flow and helps us continue to trade.

The Group spent £80k in recruitment costs during the year. This cost was directly associated with the COVID problem since we saw a loss of senior staff due to the furlough arrangement and the slow pick up in the 'Public' sector leaving us with recruitment when the workload started to return.

Research & Development

We engaged a specialist R&D claim firm which carried out the assessment with our respective team, a claim was made due to the complexities and uncertainties we encounter in the development of mixed-use property. We foresee R&D credits to be an ongoing phase within our business. Total R&D benefit for 2018 and 2019 amounted to circa £62k.

The intention is to carry out the assessment for the R&D claim for 2020 in autumn this year.

General matters

During 2020 we have restructured to cut our overheads and minimised our administration costs by updating our IT systems and computer equipment to improve communications. This had enabled certain staff to work effectively from home and our operation teams to be in more control of our sites.

John Gray, the major shareholder of the Diamond Build Group plc is the Chairman and Managing Director of the Group and is joined by Ben Causer as the Pre-Construction Director who oversees Business Development, Marketing, Quality Bids and Estimating – Ben was previously Chief Estimator of Diamond Build plc. Farhan Ahmad is our Finance Director who has overseen the introduction of a new computerised accounts system 'Evolution M' during the year which has given us more effective financial control over the Group and Companies within the Group. Logistics, IT and communications is still controlled by Paul Brooks in addition to his role in Diamond Fire Safety Ltd.

Mr Paul Brooks was appointed to be the Managing Director of Diamond Fire Safety Ltd – he has worked for the Diamond Build for 20 years and is also a Director of the Group. Backing him up in Diamond Fire Safety is Lenny Feliha our Operations Director who has been with Diamond Build for over twenty years working up from a site supervisor, Simon Childs our Surveying Director who has also been with the Diamond Build for over twenty years and our Pre-Construction Director Tim Sawka who during the four years that he has been with us has excelled in studying to become qualified in all aspect of Fire Safety.

DIAMOND BUILD GROUP PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

General matters (continued)

Diamond Special Works Ltd is now run by Paul Hoskins as the Managing Director. Paul was previously the joint managing Director of Diamond Build plc and Diamond Special Works undertakes work of a similar nature to the original Diamond Build and was therefore well qualified to assume control of this Company. With him is Reuben Hayes as the Operations Director, Reuben trained with us many years ago and is very experienced in the work we carry out for the Public sector. We have also employed a Commercial Manager to support this company who will be joining us in July this year.

John Gray is directly responsible for Diamond Build plc and is supported by a new Operations Director Matthew Thomas an experienced professional that has held similar positions in other larger organisations within the industry and a new Commercial Director Simon Wildes who has served many years as a commercial quantity surveyor in the industry. Simon is known to Diamond Build since he worked for us for 8 years before taking a position elsewhere.

To help us through this turbulent period we have enlisted the services of Duncan Forbes (previously a joint MD of Diamond Build plc) as a consultant to deal with financial and legal matters as and when required.

We have bought a new document control system for our sites called 'Procore' to ensure that our operational staff are better able to cope with the deluge of information that they now must manage making it easier to retrieve information and to keep records. We now have 'Document Control' personnel on our larger sites to supplement our operational teams.

Our development at one of our major sites was due to start in April 2020 and the funders decided that they would defer the funding for the scheme until the COVID picture was clearer. Fortunately, they did come back to the table and funding was granted on the 18th December 2020 and we are now on site, the works are progressing well.

All three Group companies use the facilities of Diamond Build Group plc for all services which enables them to concentrate on the production side of the business.

We continue to target the various construction framework programmes that come onto the market and presently are on the following frameworks: -

London Construction Programme (LCP – Haringey Council)

- Lot 1.1B Housing North £1m - £5m,
- Lot 1.1C Housing East £1m - £5m,
- Lot 2.1B Education North £1m - £5m,
- Lot 2.1D South £1m - £5m,
- Lot 3.1C East £1m - £5m,
- Lot 3.1D South £1m - £5m

London Construction Programme (LCP - Haringey Council) Minor Works Framework, Dynamic Purchasing System

- We are on 22 out of the 27 work categories the most important being:-
- General Construction Multi Trade & Fire improvements works.

London Housing Consortium (LHC) – SCB2 – Schools and Community Buildings Framework, 2017 – 2021

- Lot 9 – London (Region I), Value Band 1 – New Build
- Lot 22 – East of England (Regions H1-HX), Value Band 2 – New Build and Refurbishment

Islington New Build Housing Framework

- Lot 1 up to a contract value of £5m

Education and Skills Funding Agency (ESFA) Framework

- London region up to a contract value of £6.5m

DIAMOND BUILD GROUP PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

National Health Service (NHS) London Procurement Partnership (LPP)

- Minor Works and Maintenance DPS Framework, 2017 – 2021

Ealing Council - Fire Safety Works Framework 2016 -2022

London Housing Consortium (LHC) –

- C7 – Entrance Door sets and Associated Products Framework, 2016 – 2020

London Housing Consortium (LHC) –

- FS1-P – Passive Fire Protection Framework, 2019 – 2023

Hyde Housing – Fire Safety Framework -

- Lots 1, 2, 6 & 12 – 2019 – 2023

Network Homes –

- Fire Risk Assessment (FRA) Remedial Works Framework, 2017 – 2021

Fusion 21 Fire Improvement Works framework -

- Lot 3 Fire Doors 2019 – 2023

Fusion 21 Building Safety and Compliance Framework

- Year 4 Framework, Passive Fire Protection Various Lots – Fire Doors, 2021 – 2025

Camden Property Works Framework –

- Lot 3 Fire Safety Improvement and Upgrade Works Year 4, 2020 – 2024

A2 Dominion Refurbishment Framework –

- Lot 1 (Architect Led Projects) Framework, 2021 – 2025

Bexley Approved List Framework –

- 2021 – 2023

Connected Partnership Preferred List of Suppliers Framework –

- Lot 4 Refurbishment £2m - £4.7m & Lot 3 Refurbishment up to £2m.

Department for Education, DfE Construction Framework

- Lot 16, Low Value Band, London, 2017 – 2021

Ealing Internal Refurbishment Framework

- SW Framework Lot 2 £2m - £2.5m, 2019 – 2023

Home Group, Fire Doors DPS

- 2 Year Fire Doors and Fire Remediation Works, 2019 – 2021

Prosper Procurement Limited

- DPS Construction and Development Works Framework, 2021 – 2029

South East Consortium - New Build Framework.

- Lots 1 – Major Refurbishments
- Lot 2 – Kitchens & Bathrooms
- Lot 3 – Windows and Door
- Lot 4 – Roofing
- Lot 5 – Electrical Testing, Remedial Work & Re-wiring
- Lot 6 – Internal & External Decorations & Repairs.
- Lot 1a – up to £4.9m in Kent, Sussex & Surrey
- Lot b – up to £4.9m in London (within M25 boundaries)

DIAMOND BUILD GROUP PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Girls Day School Trust

- Contractor Select List Framework

Spelthorne Borough Council

- Construction Contractor Framework, Lot 2 Secured, 2020 – 2024.

Tower Hamlets

- DPS Framework, 2020 - 2030

Details of our current accreditations

- ISO 9001:2015 Quality Management
- ISO 14001:2015 Environmental Management
- BS OHSAS 45001 – 2007 Health and Safety Management
- Health and Safety – CHAS
- Investors In People – 2015 – Gold Classification
- FIRAS CERTIFICATION SCHEME – for Penetration Sealing Systems, Fire Rated Timber Door Sets, Fire Door Maintenance, Composite Doors and Glazing.
- Chartered Building Company – Chartered Institute of Building
- Training Partnership with the Chartered Institute of Building
- Construction Line- 7495
- Apprenticeship – Recognition Award

Information Communication Technology

During the year we have made various updates on our Information Communication Technology provisions: -

- We have upgraded our infrastructure inhouse with new cabling and L3 switching, this increased our capacity to handle internal traffic, thus increase availability and less downtime.
- Also added new uninterrupted power supply units for servers to cope temporary power failures that can happen.
- Increased number of copiers throughout the office.
- We introduce baseline to internet connectivity for larger sites by installing broadband lines instead of 4G internet to increase availability at sites.
- Moreover, provisions projectors and portable screens at sites and remote conferencing via skype business to bring sites in to flexible and capable working environments.
- Adapted use of larger screens thought-out the company with minimum screen sizes of 27" and dual monitors to improve staff working environment.
- We improve staff computer performance by updating or upgrading their computers to maintain information processing inhouse.
- We have brought in new computerised systems for Accounts 'Evolution M' and a new document control system 'Procure' for our sites.

Developments since the end of the year

The main event that affected the business in 2020 was the Corona Virus (Covid-19) the after effect of this virus will continue to affect businesses for the whole of 2021. On top of this we still have not seen the full implications of BREXIT.

The construction industry will be subject to delayed starts to construction projects, a slow down on existing work, labour, and material supply problems until such time as these matters are resolved. We are taking all necessary steps to ensure that our sites remain open by developing working practices to protect our workforce and any residents in works on / in occupied properties and we are looking carefully at our supply chains to maintain progress on our contracts.

DIAMOND BUILD GROUP PLC

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

We have upgraded our ICT systems so that staff who can work from home have the facilities to do so.

Details of orders received since the end of the year

We are awaiting information on several tenders where our Public Sector Clients have not been able to progress their tender assessments within the normal time periods.

The total value of undecided tenders that we have submitted where we believe that we do have a chance of winning amount to £55,000,000.

Of this total we would normally expect to be awarded £15,000,000.

Financial key performance indicators

- The Group's turnover was £13.2m (2019: £18.7m)
- Gross Profit Margin was 9.0% (2019: 10.8%)
- Overheads were increased by 2.0% to £1.97m (up from £1.93m in 2019)
- The net worth of the Group now stands at £1,172,119 (2019: £1,580,370)
- Debtor days was 23 days (2019: 34)
- Creditor days was 27 days (2019: 30)

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



J A Gray MCIOB MIOD
Director

Date: 21/06/2021

DIAMOND BUILD GROUP PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Group's financial statements 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £408,251 (2019 - profit £149,781).

During the year, no dividends were paid.

Directors

The directors who served during the year were:

J A Gray MCIOB MIOD
P Brooks

Directors' indemnity insurance

The directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

DIAMOND BUILD GROUP PLC

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Post balance sheet events

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

Auditors

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



J A Gray
Director

Date: 21/06/2021

DIAMOND BUILD GROUP PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIAMOND BUILD GROUP PLC

Opinion

We have audited the financial statements of Diamond Build Group PLC (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and parent Company's ability to continue to adopt the going concern basis of accounting included reviewing the Group and parent Company's results for the year ended 31 December 2020 and review and scrutiny of cash flow forecasts and budgets for the next twelve months from the date of this report, including verification that upcoming projects are due to proceed as planned.

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

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

DIAMOND BUILD GROUP PLC

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIAMOND BUILD GROUP PLC
(CONTINUED)**

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIAMOND BUILD GROUP PLC
(CONTINUED)**

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

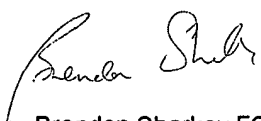
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

DIAMOND BUILD GROUP PLC

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIAMOND BUILD GROUP PLC
(CONTINUED)**

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.



Brendan Sharkey FCA (Senior statutory auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

6th Floor
2 London Wall Place
London
EC2Y 5AU

Date: 24 June 2021

DIAMOND BUILD GROUP PLC

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	13,151,466	18,650,246
Cost of sales		(11,966,276)	(16,631,118)
Gross profit		1,185,190	2,019,128
Administrative expenses		(1,884,343)	(1,936,204)
Other operating income	5	328,941	107,416
Operating (loss)/profit	6	(370,212)	190,340
Interest receivable and similar income	10	1,105	4,273
Interest payable and expenses	11	(90,363)	-
(Loss)/profit before taxation		(459,470)	194,613
Tax on (loss)/profit	12	51,219	(44,832)
(Loss)/profit for the financial year		(408,251)	149,781
(Loss)/profit for the year attributable to:			
Owners of the parent Company		(408,251)	149,781
		(408,251)	149,781

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 21 to 41 form part of these financial statements.

DIAMOND BUILD GROUP PLC
REGISTERED NUMBER: 05660708

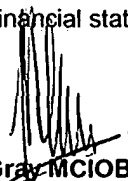
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	147,778	228,877
Investments	14	50	50
		<u>147,828</u>	<u>228,927</u>
Current assets			
Stocks	15	8,241	6,974
Debtors: amounts falling due within one year	16	3,521,654	4,535,844
Cash at bank and in hand	17	2,556,145	932,032
		<u>6,086,040</u>	<u>5,474,850</u>
Creditors: amounts falling due within one year	18	(3,422,879)	(2,776,599)
Net current assets		<u>2,663,161</u>	<u>2,698,251</u>
Total assets less current liabilities		<u>2,810,989</u>	<u>2,927,178</u>
Creditors: amounts falling due after more than one year	19	(978,333)	(592,500)
Provisions for liabilities			
Other provisions	23	(660,537)	(754,308)
		<u>(660,537)</u>	<u>(754,308)</u>
Net assets		<u><u>1,172,119</u></u>	<u><u>1,580,370</u></u>
Capital and reserves			
Called up share capital	24	50,000	50,000
Other reserves	25	50,000	50,000
Profit and loss account	25	1,072,119	1,480,370
Equity attributable to owners of the parent Company		<u>1,172,119</u>	<u>1,580,370</u>
		<u><u>1,172,119</u></u>	<u><u>1,580,370</u></u>

DIAMOND BUILD GROUP PLC
REGISTERED NUMBER: 05660708

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

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



J A Gray MCIOD MIOD
Director

Date: 21/06/2021

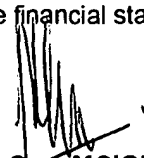
The notes on pages 21 to 41 form part of these financial statements.

DIAMOND BUILD GROUP PLC
REGISTERED NUMBER: 05660708

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	14	50,053	50,053
		<u>50,053</u>	<u>50,053</u>
Current assets			
Debtors: amounts falling due within one year	16	405,600	405,600
		<u>405,600</u>	<u>405,600</u>
Creditors: amounts falling due within one year	18	(405,653)	(405,653)
		<u>(405,653)</u>	<u>(405,653)</u>
Net current liabilities		(53)	(53)
Total assets less current liabilities		50,000	50,000
Net assets		50,000	50,000
Capital and reserves			
Called up share capital	24	50,000	50,000
		<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 by:


J A Gray MCIOS MIOB
 Director

Date: 21/06/2021

The notes on pages 21 to 41 form part of these financial statements.

DIAMOND BUILD GROUP PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Other reserves £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2019	50,000	50,000	1,330,589	1,430,589	1,430,589
Comprehensive income for the year					
Profit for the year	-	-	149,781	149,781	149,781
At 1 January 2020	50,000	50,000	1,480,370	1,580,370	1,580,370
Comprehensive income for the year					
Loss for the year	-	-	(408,251)	(408,251)	(408,251)
At 31 December 2020	50,000	50,000	1,072,119	1,172,119	1,172,119

The notes on pages 21 to 41 form part of these financial statements.

DIAMOND BUILD GROUP PLC

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Total equity
	£	£
At 1 January 2019	50,000	50,000
Total comprehensive income for the year	-	-
At 1 January 2020	50,000	50,000
Total comprehensive income for the year	-	-
At 31 December 2020	50,000	50,000

The notes on pages 21 to 41 form part of these financial statements.

DIAMOND BUILD GROUP PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(408,251)	149,781
Adjustments for:		
Depreciation of tangible assets	107,238	83,743
Interest paid	90,363	-
Interest received	(1,105)	(4,273)
Taxation charge	(51,219)	44,832
(Increase) in stocks	(1,267)	(2,881)
Decrease in debtors	1,925,786	336,301
(Increase) in amounts owed by related entities	(860,663)	(1,064,687)
Increase/(decrease) in creditors	491,050	(166,849)
(Decrease)/increase in amounts owed to related entities	(198,782)	471,728
(Decrease)/increase in provisions	(93,771)	159,072
Corporation tax (paid)	(9,869)	(11,795)
Net cash generated from operating activities	989,510	(5,028)
Cash flows from investing activities		
Purchase of tangible fixed assets	(26,139)	(244,331)
Interest received	1,105	4,273
Net cash from investing activities	(25,034)	(240,058)
Cash flows from financing activities		
New secured loans	750,000	-
Interest paid	(90,363)	-
Net cash used in financing activities	659,637	-
Net increase/(decrease) in cash and cash equivalents	1,624,113	(245,086)
Cash and cash equivalents at beginning of year	932,032	1,177,118
Cash and cash equivalents at the end of year	2,556,145	932,032
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,556,145	932,032
	2,556,145	932,032

DIAMOND BUILD GROUP PLC

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	932,032	1,624,113	2,556,145
Debt due after 1 year	(592,500)	(385,833)	(978,333)
Debt due within 1 year	(197,500)	(166,667)	(364,167)
	<u>142,032</u>	<u>1,071,613</u>	<u>1,213,645</u>

The notes on pages 21 to 41 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

Diamond Build Group Plc is an unlisted public company, limited by shares, and incorporated in England and Wales, registration number 05660708. The registered office and principal place of business are detailed on the Company Information page. The nature of the operations of the Group and its principal activities are included in the Strategic Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The functional and presentational currency is £ Sterling, and the figures are rounded to the nearest £1.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Group's ability to continue as a going concern.

With the vaccination programme implemented and final stage of restrictions to be lifted in July 2021 in the UK, we foresee our order book and our operations to be in much stronger position in the next 2-3 months.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.4 Revenue

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

Rendering of services

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

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

Amounts recoverable on contracts are included in debtors.

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.8 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.9 Finance costs

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

2.10 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2.11 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.12 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.13 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 20% straight line
Office equipment	- 20% straight line
Computer equipment	- 20% - 33% straight line
Leasehold improvements	- over the term of the lease of three years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Joint ventures are entities over which there are contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. Investments in joint ventures are carried in the Balance Sheet at cost plus any post-acquisition changes in the share of the net assets of the entity, less any impairment in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.15 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated balance sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.16 Stocks

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

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

2.17 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 allowance for irrecoverable amounts and provision for snagging costs. 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. Amounts recoverable on contracts are included in debtors.

2.18 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.20 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

2.22 Provisions for liabilities

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

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.23 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

The directors consider that the critical accounting policies where judgments and estimations have been applied relate to the tangible asset lives, amounts recoverable on contracts and valuation of provisions. In respect of the life of tangible fixed assets, judgments are made on the useful economic life and residual values of plant and machinery. The directors have concluded that the asset values and residual values are appropriate. In respect of amounts recoverable on contracts, the directors consider the changes in economic conditions in respect of all estimates and have concluded that amounts recoverable on contracts are appropriately included. In respect of provisions, the directors have concluded that the provisions included are appropriate.

DIAMOND BUILD GROUP PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Turnover

	2020 £	2019 £
Trading income	12,541,217	18,650,246
Management fees receivable	610,249	-
	<u>13,151,466</u>	<u>18,650,246</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £	2019 £
Other operating income	79,000	89,416
Government grants receivable	231,941	-
Management fees receivable	18,000	18,000
	<u>328,941</u>	<u>107,416</u>

Of the total Government grants receivable of £231,941 (2019: £Nil), £220,578 (2019: £Nil) relates to furlough funding received in respect of the Coronavirus Job Retention Scheme. The remaining £11,363 (2019: £Nil) is in relation to CBILS loan interest settled by the UK Government.

6. Operating (loss)/profit

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

	2020 £	2019 £
Depreciation of tangible fixed assets	107,238	83,743
Other operating lease rentals	118,381	113,012
Defined contribution pension cost	45,165	31,331

The Company has taken exemption under section 408 of Companies Act 2006 and has not included the parent entity Profit and Loss account in the group accounts. The profit for the year in the parent entity is £Nil (2019: £Nil).

DIAMOND BUILD GROUP PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>15,300</u>	<u>15,000</u>
Fees payable to the Group's auditor and its associates in respect of:		
All other services	<u>4,455</u>	<u>28,240</u>
	<u>4,455</u>	<u>28,240</u>

8. Employees

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	2,255,904	2,483,461	-	-
Social security costs	267,841	249,809	-	-
Cost of defined contribution scheme	45,165	31,331	-	-
	<u>2,568,910</u>	<u>2,764,601</u>	<u>-</u>	<u>-</u>

Redundancy costs of £6,725 (2019: £5,410) on terminated employments are included in group wages and salaries.

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

	2020 No.	2019 No.
Production staff	28	27
Administrative staff	16	17
Management staff	7	6
	<u>51</u>	<u>50</u>

The Company has no employees other than the director, who did not receive any remuneration (2019 - £NIL)

DIAMOND BUILD GROUP PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	131,614	154,361
Company contributions to defined contribution pension schemes	4,488	10,963
	<u>136,102</u>	<u>165,324</u>

During the year retirement benefits were accruing to 1 director (2019 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £73,945 (2019 - £86,994).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2019 - £NIL).

The directors are the Key Management Personnel and their compensation is disclosed above.

10. Interest receivable

	2020 £	2019 £
Other interest receivable	1,105	4,273
	<u>1,105</u>	<u>4,273</u>

11. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	11,363	-
Other loan interest payable	79,000	-
	<u>90,363</u>	<u>-</u>

DIAMOND BUILD GROUP PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	-	9,869
Adjustments in respect of previous periods	(51,219)	-
	<u>(51,219)</u>	<u>9,869</u>
Total current tax	<u>(51,219)</u>	<u>9,869</u>
Deferred tax		
Origination and reversal of timing differences	-	34,963
Total deferred tax	<u>-</u>	<u>34,963</u>
Taxation on (loss)/profit on ordinary activities	<u>(51,219)</u>	<u>44,832</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	<u>(459,470)</u>	<u>194,613</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(87,299)	36,976
Effects of:		
Adjustments to tax charge in respect of prior periods	51,219	-
Other differences leading to an increase (decrease) in the tax charge	(15,139)	7,856
Total tax charge for the year	<u>(51,219)</u>	<u>44,832</u>

DIAMOND BUILD GROUP PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Taxation (continued)**Factors that may affect future tax charges**

Based on current plans, the group expects to be able to continue to claim capital allowances in excess of depreciation in future years. The group has brought forward tax losses which continue to be available to reduce tax payments. Based on current projections, the group expects to materially utilise tax losses brought forward in the year ended 31 December 2021, see Note 22.

13. Tangible fixed assets**Group**

	Motor vehicles £	Office equipment £	Computer equipment and software £	Leasehold improvements £	Total £
Cost or valuation					
At 1 January 2020	32,791	2,714	179,439	322,251	537,195
Additions	-	985	10,974	14,180	26,139
At 31 December 2020	32,791	3,699	190,413	336,431	563,334
Depreciation					
At 1 January 2020	32,788	587	106,902	168,041	308,318
Charge for the year	-	1,072	27,441	78,725	107,238
At 31 December 2020	32,788	1,659	134,343	246,766	415,556
Net book value					
At 31 December 2020	3	2,040	56,070	89,665	147,778
At 31 December 2019	3	2,127	72,537	154,210	228,877

DIAMOND BUILD GROUP PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Fixed asset investments**Group**

	Investment in joint ventures £
Cost or valuation	
At 1 January 2020	50
At 31 December 2020	<u>50</u>

Company

	Investments in subsidiary companies £	Investment in joint ventures £	Total £
Cost or valuation			
At 1 January 2020	50,003	50	50,053
At 31 December 2020	<u>50,003</u>	<u>50</u>	<u>50,053</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company each with a registered office address as that of the parent company:

Name	Principal activity	Class of shares	Holding
Diamond Build Plc	Construction	Ordinary	100%
Diamond Fire Safety Limited	Construction	Ordinary	100%
Diamond Special Works Limited	Dormant	Ordinary	100%

In the opinion of the directors, the value of the company's investments in subsidiaries is not less than the amount at which they are stated in the financial statements.

The company has an interest in a joint venture in Kind Diamond Build Consortium Limited. The amount reflected in the joint venture is the group interest at cost less impairment. The share of profit of the joint venture in the year is £Nil (2019: £Nil).

DIAMOND BUILD GROUP PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Stocks

	Group 2020 £	Group 2019 £
Raw materials and consumables	8,241	6,974
	8,241	6,974

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The amount of stock recognised as an expense in cost of sales in the year was £2,828,787 (2019: £2,825,749).

16. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	840,947	1,759,024	-	-
Amounts owed by group undertakings	-	-	405,600	405,600
Amounts owed by joint ventures and related entities	2,237,022	1,376,359	-	-
Other debtors	60,332	53,847	-	-
Prepayments and accrued income	89,223	108,776	-	-
Amounts recoverable on contracts	87,521	1,082,162	-	-
Tax recoverable	50,933	-	-	-
Deferred taxation	155,676	155,676	-	-
	3,521,654	4,535,844	405,600	405,600

Included in group debtors is £4,783 (2019: £155,676) of deferred taxation due in more than one year.

17. Cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash at bank and in hand	2,556,145	932,032
	2,556,145	932,032

DIAMOND BUILD GROUP PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	166,667	-	-	-
Trade creditors	896,695	1,380,563	-	-
Amounts owed to group undertakings	-	-	405,603	405,603
Amounts owed to related undertakings	199,891	201,173	-	-
Corporation tax	-	10,155	-	-
Other taxation and social security	482,125	213,008	-	-
Other creditors	63,128	49,886	50	50
Accruals and deferred income	1,614,373	921,814	-	-
	3,422,879	2,776,599	405,653	405,653

Group bank loans of £166,667 (2019: £Nil) relate to a loan under the UK Government's CBIL Scheme which is 80% government-backed. This loan is also secured by way of fixed and floating charge against the assets of the group. This is cross-guaranteed by a number of group and related undertakings.

Included in group amounts owed to related undertakings is £197,500 (2019: £197,500) which is secured on company assets.

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

	Group 2020 £	Group 2019 £
Bank loans	583,333	-
Amounts owed to related undertakings	395,000	592,500
	978,333	592,500

Group bank loans of £583,333 (2019: £Nil) relate to a loan under the UK Government's CBIL Scheme which is 80% government-backed. This loan is also secured by way of fixed and floating charge against the assets of the group. This is cross-guaranteed by a number of group and related undertakings.

Included in group amounts owed to related undertakings is £395,000 (2019: £592,500) which is secured on company assets.

DIAMOND BUILD GROUP PLC

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FOR THE YEAR ENDED 31 DECEMBER 2020**

20. Loans

Analysis of the maturity of the loans is given below:

	Group 2020 £	Group 2019 £
Amounts falling due within one year		
Bank loans	166,667	-
Amounts falling due 1-2 years		
Bank loans	166,667	-
Amounts falling due 2-5 years		
Bank loans	416,666	-
	<u>750,000</u>	<u>-</u>

Bank loans of £750,000 (2019: £Nil) relate to a loan under the UK Government's CBIL Scheme which is 80% government-backed. This loan is also secured by way of fixed and floating charge against the assets of the group. This is cross-guaranteed by a number of group and related undertakings.

21. Bank guarantees

There are fixed and floating charges over the assets and shares of the company - see note 24. The company is party to guarantee agreements with lenders to secure the borrowings of Kimbrook Property Developments Limited, a company under common control.

22. Deferred taxation**Group**

	2020 £
At beginning of year	155,676
Charged to profit or loss	-
At end of year	<u>155,676</u>

The Company has no deferred tax.

DIAMOND BUILD GROUP PLC

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22. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	Group 2020 £	Group 2019 £
Depreciation in excess of capital allowances	4,783	4,783
Tax losses carried forward	150,893	150,893
	<u>155,676</u>	<u>155,676</u>

Deferred tax assets of £150,893 (2019: £Nil) are expected to be reversed in the year ended 31 December 2021, based on the projected profits of the group.

23. Provisions**Group**

	Subcontractor provision £
At 1 January 2020	754,308
Charged to profit or loss	(93,771)
At 31 December 2020	<u>660,537</u>

Provisions are included at 31 December 2020 in respect of obligations under contracts with subcontractors where the company considers it is probable that payments will be made and amounts can be reliably estimated, and the timing of any obligation is not known.

24. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
50,000 (2019 - 50,000) Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

There are fixed charges held over the shares of the parent company, which is a corporate guarantor to secure the borrowings of Kimbrook Property Developments Limited, a company under common control.

DIAMOND BUILD GROUP PLC

**NOTES TO THE FINANCIAL STATEMENTS
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25. Reserves**Capital redemption reserve**

The capital redemption reserve is a non-distributable reserve and represents amounts retained on redemption of preference shares.

Profit and loss account

The profit and loss account is represented by retained earnings. Changes in reserves are set out in the Statement of Changes in Equity.

26. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £45,165 (2019: £31,331). Contributions totalling £13,550 (2019: £1,809) were payable to the fund at the year end and are included in creditors.

27. Commitments under operating leases

At 31 December 2020 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £
Not later than 1 year	65,000	70,541
Later than 1 year and not later than 5 years	2,709	67,708
	<u>67,709</u>	<u>138,249</u>

DIAMOND BUILD GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

28. Related party transactions

The company has taken advantage of the exemption contained in Financial Reporting Standard 102 section 33 and has not disclosed transactions or balances with entities which form part of the group.

During the year, the following transactions were made with entities in which the directors of Diamond Build Group Plc have an interest:

Diamond Build Plc provided management services of £610,249 (2019: £Nil) and carried out further consultancy works totalling £178,231 (2019: £262,201) for Kimbrook Property Developments Limited. In addition, Diamond Build Plc recharged interest of £79,000 (2019: £Nil) to, paid amounts totalling £106,414 (2019: £Nil) on behalf of, advanced cash amounts of £64,512 (2019: £1,105,000), and invoiced amounts totalling £2,044,818 (2019: £Nil) to Kimbrook Property Developments Limited. At the year end, £2,019,161 (2019: £1,675,157) was due from Kimbrook Property Developments Limited. This balance is unsecured, interest free and repayable on demand.

Diamond Build Plc paid rent of £Nil (2019: £18,936) to Kimbrook Property Developments Limited. At the year end, £Nil (2019: £Nil) was outstanding in respect of rental payments.

Diamond Build Plc provided services totalling £16,424 (2019: £16,227) to, and received services totalling £8,568 (2019: £Nil) from Diamond Facilities Support Limited. At the year end, £1,800 (2019: £21,173) was due from Diamond Facilities Support Limited. This balance is unsecured, interest free and repayable on demand.

Diamond Build Plc received services totalling £10,097 (2019: £25,521) from, and charged a management fee of £18,000 (2019: £18,000) to Diamond Leasing Limited. At the year end £2,379 was due from Diamond Leasing Limited (2019: £5,345 due to). This balance is unsecured, interest free and repayable on demand.

At the year end, £Nil (2019: £150,000) was due from Diamond Leasing Limited in respect of a short term loan. This loan is unsecured, interest free and repayable on demand.

Diamond Build Plc provided services totalling £Nil (2019: £707) to, and received services totalling £4,025 (2019: £8,050) from Diamond Education Service Ltd. At the year end, £Nil (2019: £Nil) was due to Diamond Education Service Limited.

At the year end, £129,123 (2019: £179,176) was due from Diamond Education Service Ltd to Diamond Build PLC in respect of a short term loan. This loan is unsecured, interest free and repayable on demand.

Diamond Build Plc provided services totalling £1,290,972 (2019: £2,071,834) and received services totalling £3,617 (2019: £14,846) from Kind Diamond Build Consortium Limited, a company in which Diamond Build Group Plc has an interest. At the year end, £84,546 (2019: £172,937) was due to Diamond Build Plc. This amount is unsecured, interest free and payable on demand.

During the year, Diamond Build Plc made repayments of £197,500 (2019: £Nil) on a loan from the Diamond Build Plc Executive Pension Scheme. During the year, interest of £79,000 (2019: £Nil) was accrued and paid. At the year end, £592,500 (2019: £790,000) was due to Diamond Build Plc Executive Pension Scheme. J A Gray, a director, is also a trustee and beneficiary of the scheme. This balance is secured and interest bearing, with £395,000 (2019: £592,500) repayable after more than one year.

Diamond Fire Safety Limited received services totalling £13,464 (2019: £13,464) during the year from Diamond Leasing Limited. At the year end, £2,391 (2019: £3,673) was due to Diamond Leasing Limited.

J A Gray and P Brooks are both guarantors to the £65,000 per annum on the operating lease on the buildings.

DIAMOND BUILD GROUP PLC

**NOTES TO THE FINANCIAL STATEMENTS
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29. Controlling party

Throughout the current and previous year, the Company was under the control of J A Gray MCIQB MIOD who was beneficially interested in 100% of the issued share capital of Diamond Build Group Plc.