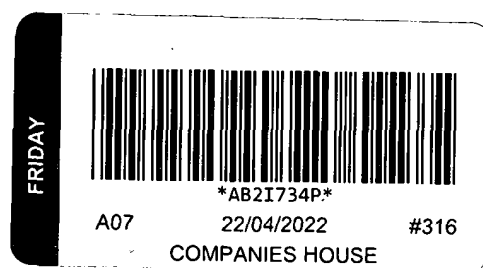


Registered number: 05660708

DIAMOND BUILD GROUP PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



DIAMOND BUILD GROUP PLC

COMPANY INFORMATION

Directors	J A Gray MCI0B MIOD P Brooks B Causer (appointed 1 May 2021)
Company secretary	F Ahmad
Registered number	05660708
Registered office	52-68 Stamford Road Tottenham London N15 4PZ
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors London
Solicitors	Curwens Solicitors Crossfields House Gladbeck Way Enfield Middlesex EN2 7HT

DIAMOND BUILD GROUP PLC

CONTENTS

	Page
Group strategic report	1 - 8
Directors' report	9 - 10
Independent auditors' report	11 - 14
Consolidated statement of comprehensive income	15
Consolidated balance sheet	16 - 17
Company balance sheet	18
Consolidated statement of changes in equity	19
Company statement of changes in equity	20
Consolidated Statement of cash flows	21 - 22
Analysis of net debt	23
Notes to the financial statements	24 - 43

DIAMOND BUILD GROUP PLC

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The Group's Directors present their Group Strategic Report for the year ending 31 December 2021.

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 enable the individual Companies to trade successfully i.e., Accounts, Marketing, Business Development, Bid Writing, Estimating, Logistics, Buying, Information Communication Technology etc.
- The Operational Companies within the Group are: -
 1. **Diamond Build Plc** – Will concentrate on larger works generally above £2m in value up to circa £20m within the London and Southeast of England.
 2. **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 Southeast of England – obviously there may be some cross over in contracts between Diamond Build and Special Works according to location / resources etc.
 3. **Diamond Fire Safety Ltd** – A specialist company that is qualified and able to undertake all manner of fire improvement works to existing buildings within a range of £100k to multi-million pound 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 Regulations.

2021 has again been a difficult year for construction companies which rely on the public sector for work since this sector has not managed to meet the workload level that they were achieving prior to the start of the COVID epidemic. It was not until the second half of 2021 that we started to see a revival of the public sector work which all died again when the OMICRON variant hit us. Consequently, we were unable to meet our expected turnover but still had a turnover and resources in place to contain the anticipated workload. Having said that we still improved our turnover from the previous COVID year by circa 50% and earned a small profit whereas we had hoped to have doubled our turnover which if we had would have created a decent profit.

We are still restructuring to make up for people that we lost during the uncertain COVID period, and the new recruits are making us a much stronger organisation able to contain the anticipated increase in workload for 2022.

Our work remains predominately for the public sector, but we have now decided that moving forward in 2022 we will entertain works from 'Private Blue Chip' organisations who are using recognised building professionals and extending our areas of operation to London and the Southeast England.

This epidemic has delayed several of our contracts, but we have maintained our estimating / bid service during this period. Consequently, we are seeing a totally different workload picture for 2022 and beyond. We expect to see a year-on-year growth on turnover with 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 2022 are as follows: -

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

DIAMOND BUILD GROUP PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

The target for the group is therefore £30,000,000 for 2022.

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.

R&D

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 2020 amounted to circa £80k (net of fees).

The intention is to carry out the assessment for the R&D claim for 2021 in autumn this year.

General Matters

During 2021 we have carried out a comprehensive review of staff training requirements which will enable us to meet with the requirements of a modern high tech construction industry and as a consequence we were given the GOLD STANDARD of Investors In People accreditation.

In 2022 we are also applying for the GOLD STANDARD for We Invest In Apprentices accreditation under the I.I.P. Banner so that we are recognised as an appropriate employer for school leavers that wish to come into the construction industry.

The security of our systems and confidential information is critical to us, so we are progressing with our application for the new I.S.O. 27007 standard - Information Security Management system which we hope to achieve in the early part of 2022.

During 2021 we have employed two more apprentices for our commercial management teams of our operational companies and plan to strengthen our site management by employing two site manager apprentices in 2022.

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 the Services Director for 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 five years that he has been with us has excelled in studying to become qualified in all aspects of Fire Safety.

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 and undertakes work of a similar nature to the original Diamond Build. He is 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, a new Managing Surveyor Daniel Rolfe and a new Contract Manager. We will be looking to further strengthen this company during 2022.

John Gray is directly responsible for Diamond Build plc and is looking to further strengthen the management of the Company during 2022 whilst using consultants as and where necessary.

At the beginning of 2022 we have started to review our various software programmes to ensure that they are still suitable and the best available in the marketplace whilst we look at ensuring that they are best value.

Our development is going well and due to be completed in August 2022 when we will move into the Northern part of the ground floor area as our new offices.

DIAMOND BUILD GROUP PLC

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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

Organisation	Framework	Starts	Ends	Total Value of Framework (£)	Notes
A2Dominion Homes Limited	Refurbishment Framework	18/01/2021	17/01/2025	£4,000,000	Also known as A2 Dominion Tall building remediation Framework. Fire Safety Refurbishment Framework for A2Dominion Group Limited - Secured Lot 1 (Architect Led Projects)
Bexley	Approved List	2021	2023		RE-Applied For Awaiting Decision outcome in May 2021, for the lists to begin on the 1st June and expire 31st May 2023. Bexley was awarded in June 2021
Camden	Camden Property Works Framework	01/12/2020	30/11/2024	£50,000,000	Secured Lot 3 Fire Safety Improvement and Upgrade Works 4 Years
Connected Partnership	Preferred List of Suppliers	2020	2024	£4,700,000	Lot 4 Refurbishment £2m up to £4.7m & Lot 3 Refurbishment £0 up to £2m
Department for Education	DfE Construction Framework	2017	2021	£5,000,000	Lot 16, Low Value Band, London. Applied for the renewal of this. UNSUCCESSFUL OUTCOME FOR RENEWAL but we are carrying forward a £4.5m negotiated contract to be carried out during 2022 and 2023
Ealing	Internal Refurbishment Framework	2019	2023	£2,500,000	SW Framework. Lot 2 £2m to £2.5m

DIAMOND BUILD GROUP PLC

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Organisation	Framework	Starts	Ends	Total Value of Framework (£)	Notes
Fusion 21	BUILDING & ASSET IMPROVEMENT WORKS FRAMEWORK Fire Doors Lot 3	2019	26/02/2024	£250,000,000	Secured Lot 3 Project values are likely to be anything between £20k and £500k per annum Estimated total £25m over 4years
Fusion21	Building Safety and Compliance Framework	2021	28/01/2025		4 Year Framework. Passive Fire Protection Various LOTS — Fire Doors Value: £150M Passive Fire Protection — Fire Stopping Value: £150M . SECURED Lot 8 Fire Doors
Girls Day School Trust	Contractors select list	2016		£5,000,000	
Haringey	LCP	2019	2023	£5,000,000	LOT 1.1B North £1m - £5m, LOT 1.1C East £1m - £5m, LOT 2.1B North £1m - £5m, LOT 2.1D South £1m - £5m, LOT 3.1C East £1m - £5m, LOT 3.1D South £1m - £5m. Haringey is placed with KDC in which we are 50% partners. This is a JV via KDBC
Haringey	LCP Minor Works DPS	2018			
Hyde Housing	Fire Safety framework	2019	2023	£ 100,000,000	Lots Secured 1,2,6 & 12 . 4Years
Home Group	Fire Doors DPS	01/11/2019	30/10/2021		Completed SQ. 2year FIRE DOORS AND/OR FIRE REMEDIATION WORKS
Islington	New Build Construction Framework	2021	2025	£5,000,000	Lot 1 up to £5m. Launch Meeting 24th March 2021.
LHC	Schools & Community	2017	2021	£5,000,000	KDC Framework. Due for renewal later this year. PP

DIAMOND BUILD GROUP PLC

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Organisation	Framework	Starts	Ends	Total Value of Framework (£)	Notes
LHC	Passive Fire protection FS1-P	2019	2023		
LHC	Entrance Doorsets (C8) Framework	2021	2025	£10,000,000	
Network Homes	Fire Risk Assessments Remedial Works	2017	2021	£5,000,000	
NHS London Procurement Partnership (LPP)	Minor Works and Maintenance DPS	2021	2025	£ 1,000,000,000	Successful Minor Works and Maintenance DPS
PROSPER Procurement Limited	DPS Construction and Development Works	30/04/2021	29/03/2029		(A) Dynamic Purchasing System for Construction and Development Works.
South East Consortium	New Build Framework	01/04/2021			Lot 1 - Major Refurbishments; Lot 2 - Kitchens & Bathrooms; Lot 3 - Windows & Doors; Lot 4 - Roofing; Lot 5 - Electrical Testing, Remedial Work & Re-wiring; Lot 6 - Internal & External Decorations & Repairs - SUCCESSFUL IN LOTS Lot 1a - £0 - £4,999,999 in Kent, Sussex & Surrey AND Lot 1b - £0 - £4,999,999 in London (Within the M25 Boundaries)

DIAMOND BUILD GROUP PLC

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Organisation	Framework	Starts	Ends	Total Value of Framework (£)	Notes
Spelthorne Borough Council	Construction Contractors Framework	2020	2024	£5,000,000	Lot 2 Secured
Tower Hamlets	DPS Framework	10/08/2020	10/08/2030	£6,800,000	Housing, Education Regeneration and General Building Works. Each lot will be sub-categorised into works-value price ranges as follows: I. up to GBP 500 000, II. over GBP 0.5 million up to GBP 5 million, III. over GBP 5 million up to GBP 15 million, IV. over GBP 15 million. The DPS Levy is 1%.

DIAMOND BUILD GROUP PLC

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

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

Adobe Creative Cloud	Includes features such as PDF and Adobe sign.
Blue Beam	Bluebeam keeps teams on the same page through the design process, helps move the project forward during construction and preserves important project data through completion and beyond.
ConQuest	ConQuest On Line Enquiries enables estimators to send out and track enquiries.
Asta Power project	The cloud based system interfaces seamlessly with your main ConQuest installation. All contract documents are loaded onto the cloud, classified and easily split into trade packages.
Microsoft 365	A suite of apps including; outlook, word, excel, powerpoint, one drive.
Visio	An app found on Microsoft 365. Used for creating flowcharts, org charts, floor plans, network diagrams.
Exchange Online	Business-class email package (part of microsoft 365)
Microsoft Project (4)	Designed to assist a project manager in developing a schedule, assigning resources to tasks, tracking progress, managing the budget, and analysing workloads.
Evolution M	Used by the accounts department. It is a construction accounting software which is both HMRC and ROS recognised, and provides a direct way to verify, manage and pay subcontractors, along with submitting VAT returns directly.
Sage Act	Customer Relationship Management software. Used by BDMS.
Mitel	Enabling staff to access calls via their desk phones and laptops.
IRIS HR	Our HR portal used to submit timesheets, request leave and file training certificates.
Procore	Construction management software. A cloud-based software used to view project performance to understand what needs to get done each day to prevent rework. Records change in real-time.

- We have upgraded 32 staff laptops to increase performance.
- New access switch has been replaced at the head office production environment.
- We have upgraded the large format printer into a cost-efficient, faster copier.
- New project management software has been introduced to streamline project management.
- New Software Bluebeam has been introduced to contract staff, to increase efficiency and accuracy of drawing measurements.
- We have increased the capacity of the shared file storage.
- Number of company mobiles has been increased to 46 and all of them have been upgraded to new handsets, moreover data allowance has been increased.
- Staff is provided with adequate monitors and increased number of monitors per staff to 2, further, remote working staff were provided with additional monitors to work from home.

Details of our current accreditations

- o ISO 9001:2015 Quality Management
- o ISO 14001:2015 Environmental Management
- o BS OHSAS 45001 – 2007 Health and Safety Management
- o Health and Safety – CHAS
- o Investors In People – 2015 – Gold Classification
- o FIRAS CERTIFICATION SCHEME – for Penetration Sealing Systems, Fire Rated Timber Door Sets, Fire

DIAMOND BUILD GROUP PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

- o Door Maintenance, Composite Doors and Glazing.
- o Chartered Building Company – Chartered Institute of Building
- o Training Partnership with the Chartered Institute of Building
- o Construction Line- 7495
- o Apprenticeship – Recognition Award

Developments Since the end of the Year

We have now completed and met the Constructionline Social Value requirements.

All central government Contracts states that a minimum of 10% weighting on Social Value must be applied.

This is now transferring to Local Authorities and we are now seeing tenders with this 10% weighting on Quality on a regular basis.

We can now use this recognise certificate from Constructionline in future to show and support our Social Value answers.

This is now also shown on our Constructionline membership / portal for buyers to see.

Going concern

The Directors consider that we have moved forward in 2021 by increasing the number of public sector frameworks that we are on whilst strengthening our workforce and improving our operational procedures. Our turnover was still disappointing since it continued to be affected by the effects of the COVID / OMICRON virus but we still have managed to come through this year with a net profit.

Financial key performance indicators

- The Group's turnover was £18.7m (2020: £13.2m)
- Gross Profit Margin was 12.6% (2020: 9.2%)
- Overheads were increased to £2.3m (up from £1.8m in 2020 – lower due to CJRS)
- The net worth of the Group now stands at £1,466,602 (2020: £1,172,119)
- Debtor days was 30 days (2020: 23)
- Creditor days was 32 days (2020: 28)

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


J A Gray MCIQB MIOD
Director

Date: 14/04/2022

DIAMOND BUILD GROUP PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

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 profit for the year, after taxation, amounted to £294,484 (2020 - loss £408,251).

During the year, no dividends were paid.

Directors

The directors who served during the year were:

J A Gray MCIOB MIOD
P Brooks
B Causer (appointed 1 May 2021)

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 2021**

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 MCIOB MIOD
Director

Date: 14/04/2022

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 2021, 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 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

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 the 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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

DIAMOND BUILD GROUP PLC

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 9, 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 Group financial statements.

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- 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 financial statement disclosures and testing to supporting documentation to access compliance with applicable laws and regulations.

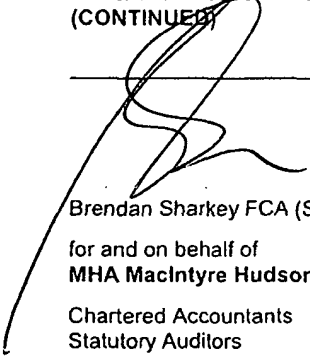
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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

DIAMOND BUILD GROUP PLC

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



Brendan Sharkey FCA (Senior statutory auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

London

Date: 19th April 2022.

DIAMOND BUILD GROUP PLC

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	18,713,665	13,151,466
Cost of sales		(16,365,728)	(11,966,276)
Gross profit		2,347,937	1,185,190
Administrative expenses		(2,282,862)	(1,884,343)
Other operating income	5	140,120	328,941
Operating profit/(loss)	6	205,195	(370,212)
Interest receivable and similar income	10	703	1,105
Interest payable and similar expenses	11	(79,228)	(90,363)
Profit/(loss) before taxation		126,670	(459,470)
Tax on profit/(loss)	12	167,814	51,219
Profit/(loss) for the financial year		294,484	(408,251)
Profit/(loss) for the year attributable to:			
Owners of the parent Company		294,484	(408,251)
		294,484	(408,251)

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 24 to 43 form part of these financial statements.

DIAMOND BUILD GROUP PLC
REGISTERED NUMBER: 05660708

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	44,502	147,778
Investments	14	50	50
		<u>44,552</u>	<u>147,828</u>
Current assets			
Stocks	15	13,709	8,241
Debtors: amounts falling due within one year	16	5,915,145	3,519,854
Cash at bank and in hand	17	1,117,707	2,556,145
		<u>7,046,561</u>	<u>6,084,240</u>
Creditors: amounts falling due within one year	18	(4,407,446)	(3,421,079)
Net current assets		<u>2,639,115</u>	<u>2,663,161</u>
Total assets less current liabilities		<u>2,683,667</u>	<u>2,810,989</u>
Creditors: amounts falling due after more than one year	19	(614,166)	(978,333)
Provisions for liabilities			
Other provisions	23	(602,898)	(660,537)
		<u>(602,898)</u>	<u>(660,537)</u>
Net assets		<u><u>1,466,603</u></u>	<u><u>1,172,119</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	1,366,603	1,072,119
Equity attributable to owners of the parent Company		<u>1,466,603</u>	<u>1,172,119</u>
		<u><u>1,466,603</u></u>	<u><u>1,172,119</u></u>

DIAMOND BUILD GROUP PLC
REGISTERED NUMBER: 05660708

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

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



J A Gray MCIQB MIOD
Director

Date: 14/04/2022

The notes on pages 24 to 43 form part of these financial statements.

DIAMOND BUILD GROUP PLC
REGISTERED NUMBER: 05660708

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
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>(53)</u>	<u>(53)</u>
Net current liabilities		<u>(53)</u>	<u>(53)</u>
Total assets less current liabilities		<u>50,000</u>	<u>50,000</u>
Net assets excluding pension asset		<u>50,000</u>	<u>50,000</u>
Net assets		<u>50,000</u>	<u>50,000</u>
Capital and reserves			
Called up share capital	24	50,000	50,000
		<u>50,000</u>	<u>50,000</u>

The profit for the year in the parent entity is £Nil (2020: £Nil).

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


J A Gray MCI OB MIOD
 Director

Date: 14/04/2022

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DIAMOND BUILD GROUP PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Other reserves £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
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 1 January 2021	50,000	50,000	1,072,119	1,172,119	1,172,119
Comprehensive income for the year					
Profit for the year	-	-	294,484	294,484	294,484
At 31 December 2021	50,000	50,000	1,366,603	1,466,603	1,466,603

The notes on pages 24 to 43 form part of these financial statements.

DIAMOND BUILD GROUP PLC

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Total equity
	£	£
At 1 January 2020	50,000	50,000
Total comprehensive income for the year	-	-
At 1 January 2021	50,000	50,000
Total comprehensive income for the year	-	-
At 31 December 2021	50,000	50,000

The notes on pages 24 to 43 form part of these financial statements.

DIAMOND BUILD GROUP PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit/(loss) for the financial year	294,484	(408,251)
Adjustments for:		
Depreciation of tangible assets	118,770	107,238
Interest paid	79,228	90,363
Interest received	(703)	(1,105)
Taxation charge	(167,814)	(51,219)
(Increase) in stocks	(5,468)	(1,267)
(Increase)/decrease in debtors	(899,471)	1,925,786
(Increase) in amounts owed by related undertakings	(1,379,149)	(880,036)
Increase in creditors	982,663	491,050
(Decrease) in amounts owed to related undertakings	(193,796)	(179,409)
(Decrease) in provisions	(57,639)	(93,771)
Corporation tax received/(paid)	51,142	(9,869)
Net cash generated from operating activities	(1,177,753)	989,510
Cash flows from investing activities		
Purchase of tangible fixed assets	(15,493)	(26,139)
Interest received	703	1,105
Net cash from investing activities	(14,790)	(25,034)
Cash flows from financing activities		
New secured loans	-	750,000
Repayment of loans	(166,667)	-
Interest paid	(79,228)	(90,363)
Net cash used in financing activities	(245,895)	659,637

DIAMOND BUILD GROUP PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Net (decrease)/increase in cash and cash equivalents	(1,438,438)	1,624,113
Cash and cash equivalents at beginning of year	2,556,145	932,032
Cash and cash equivalents at the end of year	<u>1,117,707</u>	<u>2,556,145</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>1,117,707</u>	<u>2,556,145</u>
	<u>1,117,707</u>	<u>2,556,145</u>

The notes on pages 24 to 43 form part of these financial statements.

DIAMOND BUILD GROUP PLC

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	2,556,145	(1,438,438)	1,117,707
Debt due after 1 year	(583,333)	166,667	(416,666)
Debt due within 1 year	(166,667)	-	(166,667)
	<u>1,806,145</u>	<u>(1,271,771)</u>	<u>534,374</u>

The notes on pages 24 to 43 form part of these financial statements.

DIAMOND BUILD GROUP PLC

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

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 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 financial statements are presented in £ sterling, the functional currency, rounded to the nearest £1.

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.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

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.

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

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the 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 profit or loss 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.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. 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.

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

2. Accounting policies (continued)

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

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

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 Pensions

Defined contribution pension plan

The Group operates a defined contribution 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 profit or loss 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 2021

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 profit or loss 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 2021

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 profit or loss.

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.

DIAMOND BUILD GROUP PLC

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

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 2021**

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 profit or loss 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 2021

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 2021**

4. Turnover

	2021 £	2020 £
Trading income	17,948,575	12,541,217
Management fees receivable	765,090	610,249
	<u>18,713,665</u>	<u>13,151,466</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £	2020 £
Other operating income	59,250	79,000
Government grants receivable	62,870	231,941
Management fees receivable	18,000	18,000
	<u>140,120</u>	<u>328,941</u>

Of the total Government grants receivable of £62,870 (2020: £231,941), £51,507 (2020: £220,578) relates to furlough funding received in respect of the Coronavirus Job Retention Scheme. The remaining £11,363 (2020: £11,363) is in relation to CBILS loan interest settled by the UK Government.

6. Operating profit/(loss)

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

	2021 £	2020 £
Depreciation of tangible fixed assets	118,769	107,238
Other operating lease rentals	120,724	118,381
Defined contribution pension scheme	57,073	45,165

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 (2020: £Nil).

DIAMOND BUILD GROUP PLC

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

7. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	17,200	15,300
Fees payable to the Group's auditor and its associates in respect of:		
All other services	21,926	4,455
	<u>21,926</u>	<u>4,455</u>

8. Employees

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	2,973,591	2,256,853	-	-
Social security costs	326,178	266,892	-	-
Cost of defined contribution scheme	57,073	45,165	-	-
	<u>3,356,842</u>	<u>2,568,910</u>	<u>-</u>	<u>-</u>

Redundancy costs of £27,438 (2020: £6,725) 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:

	2021 No.	2020 No.
Production staff	30	28
Administrative staff	20	16
Management staff	8	7
	<u>58</u>	<u>51</u>

The Company has no employees other than the director, who did not receive any remuneration (2020 - *£NIL*)

DIAMOND BUILD GROUP PLC

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

9. Directors' remuneration

During the year retirement benefits were accruing to 1 director (2020 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £86,993 (2020 - £73,945).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 - £NIL).

The directors of the parent and subsidiary companies are considered to be the Key Management Personnel and their compensation is £359,759 (2020: £332,702).

10. Interest receivable

	2021 £	2020 £
Other interest receivable	703	1,105
	<u>703</u>	<u>1,105</u>

11. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	11,363	11,363
Other loan interest payable	67,865	79,000
	<u>79,228</u>	<u>90,363</u>

DIAMOND BUILD GROUP PLC

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

12. Taxation

	2021 £	2020 £
Corporation tax		
Adjustments in respect of previous periods	(167,814)	(51,219)
	<u>(167,814)</u>	<u>(51,219)</u>
Total current tax	<u>(167,814)</u>	<u>(51,219)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>(167,814)</u>	<u>(51,219)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit/(loss) on ordinary activities before tax	<u>126,670</u>	<u>(459,470)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	24,067	(87,299)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	27,901	-
Capital allowances for year in excess of depreciation	(3,813)	-
Utilisation of tax losses	(41,273)	-
R&D tax relief	(64,000)	-
Adjustments to tax charge in respect of prior periods	(103,604)	51,219
Other differences leading to an increase (decrease) in the tax charge	(7,092)	(15,139)
Total tax charge for the year	<u>(167,814)</u>	<u>(51,219)</u>

DIAMOND BUILD GROUP PLC

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

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 2022, 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 2021	32,791	3,699	190,413	336,431	563,334
Additions	-	286	11,931	3,276	15,493
At 31 December 2021	32,791	3,985	202,344	339,707	578,827
Depreciation					
At 1 January 2021	32,788	1,659	134,343	246,766	415,556
Charge for the year	-	1,632	24,573	92,564	118,769
At 31 December 2021	32,788	3,291	158,916	339,330	534,325
Net book value					
At 31 December 2021	3	694	43,428	377	44,502
At 31 December 2020	3	2,040	56,070	89,665	147,778

DIAMOND BUILD GROUP PLC

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

14. Fixed asset investments**Group**

	Investment in joint ventures £
Cost or valuation	
At 1 January 2021	50
At 31 December 2021	<u>50</u>

Company

	Investments in subsidiary companies £	Investment in joint ventures £	Total £
Cost or valuation			
At 1 January 2021	50,003	50	50,053
At 31 December 2021	<u>50,003</u>	<u>50</u>	<u>50,053</u>

Subsidiary undertakings

The following were subsidiary undertakings of the 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 (2020: £Nil).

DIAMOND BUILD GROUP PLC

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

15. Stocks

	Group 2021 £	Group 2020 £
Raw materials and consumables	13,709	8,241
	<u>13,709</u>	<u>8,241</u>

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 £4,893,095 (2020: £2,828,787).

16. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	1,512,538	840,947	-	-
Amounts owed by group undertakings	-	-	405,600	405,600
Amounts owed by joint ventures and related undertakings	3,614,371	2,235,222	-	-
Other debtors	54,124	60,332	-	-
Prepayments and accrued income	119,604	89,223	-	-
Amounts recoverable on contracts	291,228	87,521	-	-
Tax recoverable	167,604	50,933	-	-
Deferred taxation	155,676	155,676	-	-
	<u>5,915,145</u>	<u>3,519,854</u>	<u>405,600</u>	<u>405,600</u>

Included in group debtors is £4,783 (2020: £4,783) of deferred taxation due in more than one year.

17. Cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash at bank and in hand	1,117,707	2,556,145
	<u>1,117,707</u>	<u>2,556,145</u>

DIAMOND BUILD GROUP PLC

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

18. Creditors: Amounts falling due within one year

	Group 2021	Group 2020	Company 2021	Company 2020
	£	£	£	£
Bank loans	166,667	166,667	-	-
Trade creditors	1,419,709	896,695	-	-
Amounts owed to group undertakings	-	-	405,603	405,603
Amounts owed to related undertakings	201,795	198,091	-	-
Other taxation and social security	742,240	482,125	-	-
Other creditors	32,365	63,128	50	50
Accruals and deferred income	1,844,670	1,614,373	-	-
	<u>4,407,446</u>	<u>3,421,079</u>	<u>405,653</u>	<u>405,653</u>

Group bank loans of £166,667 (2020: £166,667) 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 (2020: £197,500) which is secured on company assets.

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

	Group 2021	Group 2020
	£	£
Bank loans	416,666	583,333
Amounts owed to related undertakings	197,500	395,000
	<u>614,166</u>	<u>978,333</u>

Group bank loans of £416,666 (2020: £583,333) 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 (2020: £395,000) which is secured on company assets.

DIAMOND BUILD GROUP PLC

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

20. Loans

Analysis of the maturity of the loans is given below:

	Group 2021 £	Group 2020 £
Amounts falling due within one year		
Bank loans	166,667	166,667
	<u>166,667</u>	<u>166,667</u>
Amounts falling due 1-2 years		
Bank loans	166,667	166,667
	<u>166,667</u>	<u>166,667</u>
Amounts falling due 2-5 years		
Bank loans	249,999	416,666
	<u>249,999</u>	<u>416,666</u>
	<u>583,333</u>	<u>750,000</u>

Bank loans of £583,333 (2020: £750,000) 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.

DIAMOND BUILD GROUP PLC

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

22. Deferred taxation**Group****2021
£****At beginning of year** **155,676****At end of year** **155,676**

The Company has no deferred tax.

The deferred tax asset is made up as follows:

	Group 2021 £	Group 2020 £
Accelerated capital allowances	4,783	4,783
Tax losses carried forward	150,893	150,893
	155,676	155,676

Deferred tax assets of £150,893 (2020: £150,893) are expected to be reversed in the year ended 31 December 2022, based on the projected profits of the group.

23. Provisions**Group****Subcontractor
provision
£****At 1 January 2021** **660,537****Charged to profit or loss** **(57,639)****At 31 December 2021** **602,898**

Provisions are included at 31 December 2021 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.

DIAMOND BUILD GROUP PLC

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

24. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
50,000 (2020 - 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.

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 £57,073 (2020: £45,165). Contributions totalling £15,332 (2020: £13,550) were payable to the fund at the year end and are included in creditors.

27. Commitments under operating leases

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

	Group 2021 £	Group 2020 £
Not later than 1 year	5,212	65,000
Later than 1 year and not later than 5 years	-	2,709
	<u>5,212</u>	<u>67,709</u>

DIAMOND BUILD GROUP PLC

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

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:

During the year, Diamond Build Plc provided management services of £765,090 (2020: £610,249) to Kimbrook Property Developments Limited. In addition, the company recharged interest of £59,250 (2020: £79,000) and invoiced amounts totalling £5,167,455 (2020: £2,044,818) to Kimbrook Property Developments Limited. At the year end, £3,313,969 (2020: £2,019,161) was due from Kimbrook Property Developments Limited. This balance is unsecured, interest free and repayable on demand.

Diamond Build Plc provided services totalling £Nil (2020: £16,424) to, and received services totalling £Nil (2020: £8,568) from Diamond Facilities Support Limited. At the year end, £Nil (2020: £1,800) was due from Diamond Facilities Support Limited. This balance is unsecured, interest free and repayable on demand.

Diamond Build Plc received services totalling £15,934 (2020: £10,097) from, and charged a management fee of £18,000 (2020: £18,000) to Diamond Leasing Limited. At the year end £62,269 (2020: £2,379) was due from Diamond Leasing Limited. This balance is unsecured, interest free and repayable on demand.

Diamond Build Plc received services totalling £5,679 (2020: £4,025) from Diamond Education Service Ltd. At the year end, £Nil (2020: £Nil) was due to Diamond Education Service Limited.

At the year end, £143,776 (2020: £129,123) 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 £1,240,523 (2020: £1,290,972) and received services totalling £21,879 (2020: £3,617) from Kind Diamond Build Consortium Limited, a company in which Diamond Build Group Plc has an interest. At the year end, £96,802 (2020: £84,546) 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 (2020: £197,500) on a loan from the Diamond Build Plc Executive Pension Scheme. During the year, interest of £59,250 (2020: £79,000) was accrued and paid. At the year end, £395,000 (2020: £592,500) 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 £197,500 (2020: £395,000) repayable after more than one year.

Diamond Fire Safety Limited received services totalling £21,616 (2020: £13,464) during the year from Diamond Leasing Limited. At the year end, £Nil (2020: £2,391) 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.

29. Controlling party

Throughout the current and previous year, the Company was under the control of J A Gray MCI0B MIOD who was beneficially interested in 100% of the issued share capital of Diamond Build Group Plc.