

DIAMOND BUILD GROUP PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

DIAMOND BUILD GROUP PLC

COMPANY INFORMATION

Directors	J A Gray MCIQB MIOD P Brooks B Causer (resigned 8 December 2022) N Tonkins (appointed 3 January 2023)
Company secretary	F Ahmad
Registered number	05660708
Registered office	52-68 Stamford Road London N15 4PZ
Independent auditors	MHA Statutory Auditors 6th Floor 2 London Wall Place London EC2Y 5AU
Solicitors	Curwens Solicitors Crossfields House Gladbeck Way Enfield Middlesex EN2 7HT

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Principal activities and business review

Diamond Build Plc, and Diamond Fire Safety Ltd are all now well established each with its own Board of Directors. Diamond Special Works Ltd is being used as a vehicle to accommodate the Voids programme for the London Borough of Haringey. 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 Contract works generally above £100,000 in value within the London and Southeast of England.
 - 2 Diamond Special Works Ltd** – Will be responsible for works to Voids, general repairs etc within Greater London and some areas of the Southeast of England.
 - 3 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 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.

2022 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. They have been unable to process their tenders within reasonable time periods and consequently, we were unable to meet our expected turnover but still had resources in place to contain the anticipated workload. During 2022 we still improved our turnover from 2021 by circa a third but were still £5m below our expected turnover.

Our work remains predominately for the public sector, but we are extending our areas of operation to London and the Southeast England

Our targets for the three Companies for 2023 are as follows: -

Diamond Build plc	£ 22,000,000
Diamond Special Works Ltd	£ 4,000,000
Diamond Fire Safety Ltd	£ 4,000,000

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

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.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

General Matters

During 2022 we have :-

Been awarded the GOLD STANDARD for 'We Invest In Apprentices' which is part of the 'Investors In People' programme where we also hold the Gold Standard. This was achieved because our Managing Director of Diamond Education Service Ltd; Dr Linda Prince carried out a comprehensive review of our apprentices ensuring that our processes were up to the standard.

Employed two more apprentices for our commercial management teams of our operational companies and hope to continue to employ further apprentices in 2023.

Restructured our Pre-contract section of our Group of Companies and promoted Natalya Tonkins as the Group Business Development Director to be responsible for this section to ensure that we meet our turnover targets.

Streamlined the structure of Diamond Fire Safety Ltd by making Lenny Feliha the Managing Director reporting directly to our Chairman.

Changed the remit of Diamond Special Works Ltd to be specifically to develop an organisation to deal with voids and repair and maintenance works. Reuben Hayes has been commissioned to be responsible for this change.

Promoted Tim Sawka to Associate Director of the Diamond Build Group plc to be responsible for maintaining our various I.S.O. certifications, Investors In People etc. and to obtain I.S.O. 27001 followed by 44001.

John Gray is directly responsible for Diamond Build plc and is looking to further strengthen the management of the Company during 2023 whilst using consultants as and where necessary.

Nearly completed our development of which 50% of the residential stock has been sold and the commercial aspect ready for occupation by early 2024.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Our current Secured Frameworks and Dynamic Purchasing Systems are as follows:-

Organisation	Framework	Starts	Ends	Total Value (£)	Notes
As Kind Diamond Build Consortium (KDC) Limited:					
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

Diamond Build Major Works and Special Works Framework Appointments:					
Bexley	Approved List	2021	2023		Re-applied for, awaiting outcome decision for list to begin in June 2023.
Connected Partnership	Preferred List of Suppliers	2020	2024	£4,700,000	Lot 4 Refurbishment £2 up to £4.7m & Lot 3 Refurbishment £0 up to £2m
Ealing	Internal Refurbishment Framework	2019	2023	£2,500,000	SW Framework. Lot 2 £2m to £2.5m
Fusion 21	Reactive repairs and empty buildings, Lots 2 and 4	2022	2026		Lot Region 2a, 2b, 2c London. Lot 4 London
Girls Day School Trust	Contractors select list	2016		£5,000,000	
Islington	New Build Construction Framework	2021	2025	£5,000,000	Lot 1 up to £5m.
Lambeth	Minor Works Framework	2021	2025	£8,000,000	26 companies to the FM and Property Services call off framework for the period from November 2021 until October 2025, up to a maximum of £8m for works.
LUPC	London Universities Purchasing Consortium Minor Works Framework	2021	2025	£500,000	Minor works up to £500k
Pagabo	National Framework for Medium Works 23	2023	2026		Lot 1 – projects of £50k to £500k Lot 2 – projects of £500k to £1m Lot 3 – Projects of over £1m to £5m Lot 4 – Projects of over £5m to £10m (option to extend to 2027)
Prosper	Decarbonisation Retrofit Framework Lots 8 and 9	2022	2026	£500,000,000	Duration 24 months, option to extend by 2 x 12 months

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

South Consortium Framework	Residential Delivery & Development Framework	2021	2025		Submitted and successful. Lot 1 Sub Lot D, Buckinghamshire, Oxfordshire, Bedfordshire, Hertfordshire & Essex, E, Surrey, East Sussex, West Sussex & Kent, F, London (North of the Thames), G, London (South of the Thames)
South East Consortium	New Build Framework	2021	2025	£5,000,000	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 - Lot 1a - £0 - £4,999,999 in Kent, Sussex & Surrey AND Lot 1b - £0 - £4,999,999 in London (Within the M25 Boundaries)
Spelthorne Borough Council	Construction Contractors Framework	2020	2024	£5,000,000	Lot 2 Secured
The University of East London	Minor Works Framework	2022	2026	£10,000,000	4-year framework for reactive and planned works at any of its sites.

Diamond Build Fire Safety Appointments:					
A2Dominion Homes Limited	Refurbishment Framework	2021	2023	£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)
Camden	Camden Property Works Framework	2020	2024	£50,000,000	Secured Lot 3 Fire Safety Improvement and Upgrade Works 4 Years
Fusion 21	Building & Asset Improvement Works Framework Fire Doors Lot 3	2019	2024	£250,000,000	Secured Lot 3 Project values are likely to be anything between £20k and £500k per annum Estimated total £25m over 4 years
Fusion 21	Building Safety and Compliance Framework	2021	2025		4 Year Framework. Passive Fire Protection Various LOTS — Fire DoorsValue: £150M Passive Fire Protection — Fire StoppingValue: £150M. SECURED Lot 8 Fire Doors
Hyde Housing	Fire Safety Framework	2019	2023		Lots Secured 1,2,6 & 12. 4 Years
LHC	Entrance Doorsets (C7) Framework	2021	2026	£10,000,000	Lot 4 Timber Fire Doors London
LHC	Passive Fire protection FS1-P	2019	2023		

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

South Essex Homes	M2122-04 Roofing Renewals	2021	2024	£4,776,266	We have been on this framework since 2007 and are the only original contractor still assigned to the framework. Until 2024 (Plus 1 year subject to agreement).
Network Homes	Lot 1 – Fire Remedial Works (Passive Fire Protection)	2022	2026	£30,000	4-year framework. Successful SQ tender for Lot 1.
NHMF Framework Planned Maintenance	Passive Fire Safety Works	2022			Lot 6 Greater London & South East
Prosper	Fire Risk Assessment & Passive Fire Safety Framework – Lot 2	2022	2026	£250,000,000	Successful Lot 2 Passive Fire Protection works. The framework agreements will run for a period of 24 months, with an option to extend 2x12 month.

Diamond Build Dynamic Purchasing System Appointments:

Barnet Group	Energy Efficiency Retrofit DPS	2022	2032	£10,000,000	A number of contracts and contract values varying from between £500,000 and £10,000,000
Haringey	LCP Minor Works DPS	2022	2023		DPS
Lambeth	Planned Maintenance DPS	2022	2026		Planned Maintenance Categories TBC.
LHC	Whole House Refurbishment & Improvements DPS	2019			Originally named a framework, now a DPS. Successful in being awarded entry onto the DPS for the following workstreams: A – Kitchens and bathrooms and associated works. D – Painting and decoration. E – Multi-disciplinary.
NHS London Procurement Partnership (LPP)	Minor Works and Maintenance DPS	2021	2025	£1,000,000,000	Successful Minor Works and Maintenance DPS
Pagabo	DPS for Small Works	2021	2025		
Prosper Procurement Limited	DPS Construction and Development Works	2021	2029		Dynamic Purchasing System for Construction and Development Works.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Sanctuary Housing	Building Trades Contractors	2021	2029		This DPS will provide Building Trades Contractors that will support Sanctuary's new build programme, predominantly acting as subcontractors, and also directly appointed to undertake works on existing assets in terms of reinvestment and programmed upgrade works
South East Consortium	Responsive repairs, voids, planned works	2022	2026		
Tower Hamlets	DPS Framework	2020	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%.

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

Adobe Creative Cloud	Includes features such as InDesign, Photoshop 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 analyzing workloads.
Evolution M	Used by the accounts department. It is a construction accounting software is both HMRC and ROS recognised, and provides a direct way to verify, manage and pay subcontractors, along with submitting VAT returns directly.
HubSpot	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 changes in real-time.
Cisco Any Connect	Our remote connection software enable staff to work remotely while having secure access to all our internal systems.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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 Award
- We Invest In Apprentices 2023 – Gold Award
- 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

Developments Since the end of the Year

We have been awarded 'We Invest In Apprentices' Gold Standard.

Going concern

The Directors consider that we have moved forward in 2022 by increasing our turnover and 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 £29.3m (2021 : £18.7m)
- Gross Profit Margin was 9.1% (2021: 12.5%)
- Overheads were £2.25m (2021: £2.3m)
- The net worth of the Group now stands at £1.9m (2021: £1.5m)
- Debtor days was 25 days (2021: 30)
- Creditor days was 32 days (2021: 32)

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

J A Gray MCIOB MIOD

Director

Date: 15 September 2023

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

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 judgements 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 £424,762 (2021 - £294,484).

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 (resigned 8 December 2022)

N Tomkins was appointed as a director on 3 January 2023.

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 Company also purchased and maintained throughout the financial year Directors' and

Officers' liability insurance in respect of itself and its directors.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

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

J A Gray MCIOB MIOD
Director

Date: 15 September 2023

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 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, the Consolidated 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 2022 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.

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.

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 8, 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, those charged with governance and the entity's solicitors 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;
- 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.

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, 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.

Georgette Alicia Crisp, BSc (Hons) FCA (Senior Statutory Auditor)

for and on behalf of MHA, Statutory Auditor

London, United Kingdom

Date: 19 September 2023

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	29,347,673	18,713,665
Cost of sales		(26,682,527)	(16,365,728)
Gross profit		2,665,146	2,347,937
Administrative expenses		(2,245,426)	(2,282,862)
Other operating income	5	57,362	140,120
Operating profit	6	477,082	205,195
Interest receivable and similar income	10	6,125	703
Interest payable and similar expenses	11	(58,445)	(79,228)
Profit before tax		424,762	126,670
Tax on profit	12	-	167,814
Profit for the financial year		424,762	294,484
Profit for the year attributable to:			
Owners of the parent		424,762	294,484
		424,762	294,484

The notes on pages 25 to 43 form part of these financial statements.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Profit for the financial year		424,762	294,484
Other comprehensive income			
Total comprehensive income for the year		424,762	294,484
Profit for the year attributable to:			
Owners of the parent Company		424,762	294,484
		424,762	294,484
Total comprehensive income attributable to:			
Owners of the parent Company		424,762	294,484
		424,762	294,484

The notes on pages 25 to 43 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	35,242	44,502
Investments	14	50	50
		<u>35,292</u>	<u>44,552</u>
Current assets			
Stocks	15	36,360	13,709
Debtors: amounts falling due within one year	16	8,630,231	5,915,145
Cash at bank and in hand	17	1,539,636	1,117,707
		<u>10,206,227</u>	<u>7,046,561</u>
Creditors: amounts falling due within one year	18	(6,912,247)	(4,407,446)
Net current assets		<u>3,293,980</u>	<u>2,639,115</u>
Total assets less current liabilities		<u>3,329,272</u>	<u>2,683,667</u>
Creditors: amounts falling due after more than one year	19	(250,000)	(614,166)
Provisions for liabilities			
Other provisions	23	(1,187,907)	(602,898)
		<u>(1,187,907)</u>	<u>(602,898)</u>
Net assets		<u>1,891,365</u>	<u>1,466,603</u>
Capital and reserves			
Called up share capital	24	50,000	50,000
Capital redemption reserve	25	50,000	50,000
Profit and loss account	25	1,791,365	1,366,603
Equity attributable to owners of the parent Company		<u>1,891,365</u>	<u>1,466,603</u>
		<u>1,891,365</u>	<u>1,466,603</u>

DIAMOND BUILD GROUP PLC
REGISTERED NUMBER: 05660708

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

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

J A Gray MCIOB MIOD
Director

Date: 15 September 2023

The notes on pages 25 to 43 form part of these financial statements.

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
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		<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 company made no profit or loss in the year (2021: £Nil)

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

J A Gray MCIOB MIOD
Director

Date: 15 September 2023

The notes on pages 25 to 43 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Other reserves £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2022	50,000	50,000	1,366,603	1,466,603	1,466,603
Comprehensive income for the year					
Profit for the year	-	-	424,762	424,762	424,762
At 31 December 2022	50,000	50,000	1,791,365	1,891,365	1,891,365

The notes on pages 25 to 43 form part of these financial statements.

**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 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 25 to 43 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Total equity £
At 1 January 2022	50,000	50,000
Total comprehensive income for the year	-	-
At 31 December 2022	<u>50,000</u>	<u>50,000</u>

The notes on pages 25 to 43 form part of these financial statements.

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

	Called up share capital £	Total equity £
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 25 to 43 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	424,762	294,484
Adjustments for:		
Depreciation of tangible assets	29,648	118,770
Interest paid	58,445	79,228
Interest received	(6,125)	(703)
Taxation charge	-	(167,814)
(Increase) in stocks	(22,651)	(5,468)
(Increase) in debtors	(2,546,535)	(899,471)
(Increase) in amounts owed by related undertakings	(312,551)	(1,379,149)
Increase in creditors	2,507,526	982,663
(Decrease) in amounts owed to related undertakings	(200,225)	(193,796)
Increase/(decrease) in provisions	585,009	(57,639)
Corporation tax received	144,000	51,142
Net cash generated from operating activities	661,303	(1,177,753)
Cash flows from investing activities		
Purchase of tangible fixed assets	(20,388)	(15,493)
Interest received	6,125	703
Net cash from investing activities	(14,263)	(14,790)
Cash flows from financing activities		
Repayment of other loans	(166,666)	(166,667)
Interest paid	(58,445)	(79,228)
Net cash used in financing activities	(225,111)	(245,895)
Net increase/(decrease) in cash and cash equivalents	421,929	(1,438,438)
Cash and cash equivalents at beginning of year	1,117,707	2,556,145
Cash and cash equivalents at the end of year	1,539,636	1,117,707
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,539,636	1,117,707
	1,539,636	1,117,707

The notes on pages 25 to 43 form part of these financial statements.

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	1,117,707	421,929	1,539,636
Debt due after 1 year	(614,166)	364,166	(250,000)
Debt due within 1 year	(166,667)	-	(166,667)
	<u>336,874</u>	<u>786,095</u>	<u>1,122,969</u>

The notes on pages 25 to 43 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

Diamond Build Group PLC is an unlisted public company limited by shares incorporated in England and Wales, registration number 05660708. The registered office and principal place of business is detailed on the Company Information page. Diamond Build Group PLC is involved in the construction industry.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis 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 company's functional and presentational currency is £ sterling and 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 judgement 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 Profit and Loss Account 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 Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The directors have considered whether the use of the going concern basis of accounting is appropriate, i.e whether there are any material uncertainties related to the events or conditions that may cast significant doubt on the ability of the group to continue as going concern. The directors have made this assessment in respect of a period of at least twelve months from the date of approval of the financial statements and concluded that there are no material uncertainties about the group's ability to continue on a going concern basis as demonstrated by their willingness and ability to financially support the group over the period.

The directors have considered the annual budget, future cash flow forecasts and other relevant information in forming their assessment of the going concern assumption.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

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 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 Profit and Loss Account in the same period as the related expenditure.

2.7 Interest income

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

2.8 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.

2.9 Borrowing costs

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.10 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 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.

2.11 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.

2.12 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 2022**

2. Accounting policies (continued)

2.12 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.

2.13 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 Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.14 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 Profit and Loss Account 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.15 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.

2.16 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.

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 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.

2.19 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.20 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.

2.21 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Profit and Loss Account.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.22 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.

3. Judgements 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 assets. 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.

4. Turnover

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

	2022	2021
	£	£
Trading income	28,305,926	17,948,575
Management fees receivable	1,041,747	765,090
	<u>29,347,673</u>	<u>18,713,665</u>

All turnover arose within the United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Other operating income

	2022	2021
	£	£
Other operating income	39,412	59,250
Government grants receivable - Covid grants	(50)	62,870
Fees receivable	18,000	18,000
	<u>57,362</u>	<u>140,120</u>

6. Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets	29,648	118,769
Operating lease rentals	128,585	120,724
Defined contribution pension scheme	<u>55,362</u>	<u>57,073</u>

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 (2021: £Nil).

7. Auditors' remuneration

	2022	2021
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>17,200</u>	<u>17,200</u>
Fees payable to the Group's auditor and its associates in respect of:		
All other services	<u>19,900</u>	<u>21,926</u>
	<u>19,900</u>	<u>21,926</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Employees

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

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Wages and salaries	3,734,213	<i>2,973,591</i>	-	-
Social security costs	168,336	<i>326,178</i>	-	-
Cost of defined contribution scheme	55,362	<i>57,073</i>	-	-
	<u>3,957,911</u>	<i><u>3,356,842</u></i>	<u>-</u>	<i><u>-</u></i>

Redundancy costs of £13,704 (2021: £27,438) on terminated employments are included in wages and salaries.

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

	2022 No.	<i>2021 No.</i>
Production staff	28	<i>30</i>
Administrative staff	16	<i>20</i>
Management staff	7	<i>8</i>
	<u>51</u>	<i><u>58</u></i>

The Company has no employees other than the director, who did not receive any remuneration from the Company (2021 - £NIL)

9. Directors' remuneration

During the year retirement benefits were accruing to 1 director (2021 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £109,204 (2021 - £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 (2021 - £NIL).

The directors of the parent and subsidiary companies are considered to be the Key Management Personnel and their compensation is £385,615 (2021: £359,759)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Interest receivable

	2022 £	2021 £
Bank interest receivable	6,125	703
	<u>6,125</u>	<u>703</u>

11. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	-	11,363
Other loan interest payable	58,445	67,865
	<u>58,445</u>	<u>79,228</u>

12. Taxation

	2022 £	2021 £
Corporation tax		
Adjustments in respect of previous periods	-	(167,814)
	<u>-</u>	<u>(167,814)</u>
Total current tax	<u>-</u>	<u>(167,814)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit/(loss) on ordinary activities	<u>-</u>	<u>(167,814)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2021 - *the same as*) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>424,762</u>	<u>126,670</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	80,705	24,067
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(78,356)	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)
Other differences leading to an increase (decrease) in the tax charge	(2,349)	(7,092)
Total tax charge for the year	<u><u>-</u></u>	<u><u>(167,814)</u></u>

Factors that may affect future tax charges

The rate of corporation tax increased to 25% on 1 April 2023.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Tangible fixed assets

Group

	Motor vehicles £	Office equipment £	Computer equipment £	Leasehold improvements £	Total £
Cost or valuation					
At 1 January 2022	32,791	3,985	202,344	339,707	578,827
Additions	-	1,830	18,558	-	20,388
At 31 December 2022	32,791	5,815	220,902	339,707	599,215
Depreciation					
At 1 January 2022	32,788	3,291	158,916	339,330	534,325
Charge for the year	-	1,346	28,302	-	29,648
At 31 December 2022	32,788	4,637	187,218	339,330	563,973
Net book value					
At 31 December 2022	<u>3</u>	<u>1,178</u>	<u>33,684</u>	<u>377</u>	<u>35,242</u>
At 31 December 2021	<u>3</u>	<u>694</u>	<u>43,428</u>	<u>377</u>	<u>44,502</u>

14. Fixed asset investments

Group

	Investment in joint ventures £
Cost or valuation	
At 1 January 2022	50
At 31 December 2022	<u>50</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
Company

	Investments in subsidiary companies £	Investment in joint ventures £	Total £
Cost or valuation			
At 1 January 2022	50,003	50	50,053
At 31 December 2022	50,003	50	50,053

Subsidiary undertakings

The following were subsidiary undertakings of the company, each with a registered office as that 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 (2021: Nil).

15. Stocks

	Group 2022 £	Group 2021 £
Raw materials and consumables	36,360	13,709
	<u>36,360</u>	<u>13,709</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 £5,275,383 (2021: £4,893,095).

16. Debtors

Group	Group	Company	Company
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. Debtors (continued)

	2022	2021	2022	2021
	£	£	£	£
Trade debtors	2,086,477	1,512,538	-	-
Amounts owed by group undertakings	-	-	405,600	405,600
Amounts owed by joint ventures and related undertakings	3,926,922	3,614,371	-	-
Other debtors	50,405	54,124	-	-
Prepayments and accrued income	300,927	119,604	-	-
Amounts recoverable on long-term contracts	2,086,220	291,228	-	-
Tax recoverable	23,604	167,604	-	-
Deferred taxation	155,676	155,676	-	-
	<u>8,630,231</u>	<u>5,915,145</u>	<u>405,600</u>	<u>405,600</u>

Included in group debtors is £155,676 (2021: £155,676) of deferred taxation due in more than one year.

17. Cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash at bank and in hand	1,539,636	1,117,707
	<u>1,539,636</u>	<u>1,117,707</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
18. Creditors: Amounts falling due within one year

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	£	£	£	£
Bank loans	166,667	166,667	-	-
Trade creditors	2,359,703	1,419,709	-	-
Amounts owed to group undertakings	-	-	405,603	405,603
Amounts owed to related undertakings	199,070	201,795	-	-
Other taxation and social security	1,584,008	742,240	-	-
Other creditors	273,148	32,365	50	50
Accruals and deferred income	2,329,651	1,844,670	-	-
	<u>6,912,247</u>	<u>4,407,446</u>	<u>405,653</u>	<u>405,653</u>

Bank loans of £166,667 (2021 - £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 amounts owed to related undertakings is £197,500 (2021 - £197,500) which is secured on group assets.

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

	Group 2022	<i>Group 2021</i>
	£	£
Bank loans	250,000	416,666
Amounts owed to related undertakings	-	197,500
	<u>250,000</u>	<u>614,166</u>

Bank loans of £250,000 (2021: £416,666) 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 amounts owed to related undertakings is £Nil (2021 - £197,500) which is secured on group assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Loans

Analysis of the maturity of loans is given below:

	Group 2022 £	<i>Group 2021 £</i>
Amounts falling due within one year		
Bank loans	166,667	<i>166,667</i>
	166,667	<i>166,667</i>
Amounts falling due 1-2 years		
Bank loans	166,667	<i>166,667</i>
	166,667	<i>166,667</i>
Amounts falling due 2-5 years		
Bank loans	83,333	<i>249,999</i>
	83,333	<i>249,999</i>
	416,667	<i>583,333</i>

Bank loans of £416,667 (2021: £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.

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 arrangements with lenders to secure borrowings of Kimbrook Property Developments Limited, a company under common control.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

22. Deferred taxation

Group

		2022 £
At beginning of year		155,676
At end of year		155,676
	Group 2022 £	Group 2021 £
Accelerated capital allowances	4,783	4,783
Tax losses carried forward	150,893	150,893
	155,676	155,676

23. Provisions

Group

	Subcontractor provisions £
At 1 January 2022	602,898
Charged to profit or loss	585,009
At 31 December 2022	<u>1,187,907</u>

Provisions are included at 31 December 2022 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,

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

24. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
50,000 (2021 - 50,000) Ordinary shares of £1.00 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 group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £55,362 (2021 - £57,073). Contributions totalling £17,487 (2021 - £15,332) were payable to the fund at the year end and are included in creditors.

27. Commitments under operating leases

The Group and the Company had no commitments under non-cancellable operating leases at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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 £1,041,747 (2021: £765,090) to Kimbrook Property Developments Limited. In addition, the company recharged interest of £39,500 (2021: £59,250) and invoiced amounts totalling £8,912,890 (2021: £5,167,455) to Kimbrook Property Developments Limited. At the year end, £3,513,544 (2021: £3,313,969) was due from Kimbrook Property Developments Limited. This balance is unsecured, interest free and repayable on demand.

During the year, Diamond Build Plc received services totalling £Nil (2021: £15,934) from, and charged a management fee of £18,000 (2021: £18,000) to Diamond Leasing Limited. At the year end £40,683 (2021: £62,269) was due from Diamond Leasing Limited. This balance is unsecured, interest free and repayable on demand.

During the year, Diamond Build Plc received services totalling £Nil (2021: £6,679) from Diamond Education Service Ltd. At the year end, £184,044 (2021: £143,776) 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.

During the year, Diamond Build Plc provided services totalling £4,229,374 (2021: £1,240,523) and received services totalling £Nil (2021: £21,879) from Kind Diamond Build Consortium Limited, a company in which Diamond Build Group Plc has an interest. At the year end, £188,599 (2021: £96,802) 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 (2021: £197,500) on a loan from the Diamond Build Plc Executive Pension Scheme. During the year, interest of £39,500 (2021: £59,250) was accrued and paid. At the year end, £197,500 (2021: £395,000) 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, interest bearing and repayable within one year.

At the year end £237,000 (2021: £Nil) was payable to J A Gray, a director. The loan is unsecured, interest bearing and repayable within one year.

29. Controlling party

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

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.