
DIONA CONSTRUCTION LTD.

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

DIONA CONSTRUCTION LTD.

COMPANY INFORMATION

Directors	S Anderson W Docherty C Wright
Company secretary	S Anderson
Registered number	SC278146
Registered office	55 Hamilton Street Polmadie Glasgow G42 0PL
Independent auditor	Mazars Chartered Accountants & Statutory Auditor Mayoralty House Flood Street Galway Ireland H91 P8PR

DIONA CONSTRUCTION LTD.

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Introduction

The Directors present their Strategic Report together with the audited financial statements of the Company for the year ended 31 March 2023.

Principal activities

The principal activity of the Company is the provision of telecommunication and power network services.

Business review

Diona Construction Ltd. "Diona" continues to operate under long-term framework agreements with its clients within the Telecommunications industry. We pride ourselves on our longstanding relationships and continually invest in our contracts and people to ensure we deliver a premium service.

Company turnover for the year ended 31 March 2023 was £19.6m (2022 - £9.6m) with an operating profit of £6m (2022 - £1.7m).

The increase in scope and pace of nationwide fibre and power rollout plans continues to drive demand for our network building service capabilities and has led to the Company successfully delivering a number of key projects, profitably, for our key clients.

Principal risks and uncertainties

Economic conditions

The Company's activities operate within framework agreements which do not provide guaranteed levels of turnover. Economic conditions impact our clients and our contracts. In addition, our clients rely on borrowing in the financial markets to finance their operations. There is a risk that clients will seek to reduce expenditure or extend payment terms to manage their cash resources. We engage in regular dialogue with our clients to continually assess these risks and adjust our resources accordingly. The business mitigates risk by serving multiple clients to ensure sustainability.

Extraneous events such as pandemic, significant IT failure or cyber-attack, could result in a significant degree of business interruption. There is a risk that the Company may not be able to adapt to a changed environment and suffers significant and prolonged disruption to its activities. The Company has developed crisis management plans to mitigate the impact of such events.

Economic regulation

Many of the Company's contracts are with major blue-chip clients who operate in regulated industries. Both the funding of programs and the political support for private involvement may be subject to change. There is a risk that the operating cost targets and capital investment programs approved by Regulators will impact our turnover and profitability. However, once final determinations are announced, our clients have considerable visibility of workload. We engage in regular dialogue with our clients to continually assess these risks and adjust our resources accordingly.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Contract renewals

The Company's long-term contracts periodically come up for renewal. There is a risk that the Company may not renew its framework contracts with existing clients during a competitive tender process, impacting on turnover and profitability. Framework contract renewal risk is mitigated by delivering a quality service, a strong health and safety performance and an effective bid process and has resulted in an excellent renewal track record.

Skills shortages

The Company operates in a market where skill shortages prevail and consequently it invests heavily in training and developing employees to their maximum potential. There is a risk that skills shortages may impact on the Company's ability to deliver its services. The Company has been very successful in recruiting from local communities in which it works and in developing and retraining staff.

Reliance on supply chain

There is a risk that any disruption to the supply chain would impact the ability of the business to deliver services to its clients. The business mitigates this risk by establishing preferred supplier relationships (which are generally not exclusive) and always seeking to ensure that a balanced and stable supply chain is maintained, which helps to deliver best value to clients.

Health and safety

There is a risk that a significant health and safety failure would impact our ability to conduct our existing business and win new business. Health and safety considerations form a key part of the Company's operational practices and the Company promotes a culture that puts safety first. The Company operates safe and reliable working practices through a policy of plan, do, check and act which is written into the companies management system and procedures. The company fosters a safety culture where honesty, trust and sharing best practices across all business operations are embraced.

New Business

The Company is targeting growth in existing and adjacent markets using its core skills. There is a risk that the business is not as efficient or as effective as it might be as key relationships with clients and the supply chain is established. This risk is mitigated by regular strategic and operational review of new activities, innovation and diversification to ensure resources are deployed appropriately in response to the market needs.

Future developments

The current year financial performance of Diona is in line with our growth strategy. We continue to build on existing relationships with large operators, supporting critical national infrastructure, as a preferred partner.

The Company is expecting to see further growth into the next financial year and beyond as the business continues to scale existing opportunities. This is achievable through the increasing strength and depth in our core business.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Stakeholder engagement

Effective engagement of stakeholder groups supports the principles of Section 172 of the Companies Act 2006, which sets out that directors should have regard to stakeholder interests when discharging their duty to promote the success of the company.

Our success depends on forging positive relationships with the people, communities and organisations that have an interest in our business and may be impacted by the decisions we make. We actively engage with our stakeholders to understand their views. The views of our stakeholders assist in shaping our strategy and business model. We set out below how we engage with our main stakeholders and our impact.

People

We endeavour to listen to our people, to provide feedback and keep them engaged and informed. Successful performance can be delivered through a high level of engagement ensuring our people share the Company's core values and feel supported by our culture. We are committed to creating an environment in which our people feel valued, supported and fulfilled.

It is key that we continue to engage and listen to all feedback to harness the talent that we already have within the Company and also ensure there exists a working environment that allows people to flourish.

Clients

We aim to meet the specific need of each of our clients to deliver the best in class solutions. During the year we continued to have key account support and face-to-face meetings to continue to invest in these relationships.

Suppliers and subcontractors

Dialogue with suppliers and subcontractors is important to mitigate supply chain risk and to ensure we have access to the most cost effective and reliable products and services. During the year we have worked closely with our supply chain to ensure we can meet our business requirements in a sustainable way.

Our code of conduct sets out clear standards regarding our ways of working with our supply chain. Having key account support and face-to-face meetings helps to build trust and long-term relationships which is beneficial to both parties.

Financial key performance indicators

The Board monitors key performance indicators on a regular basis. The primary KPIs monitored are Company's Turnover, EBITDA, Operating profit, orderbook, cashflow and health and safety metrics. These KPIs are measured against historical performance and budget on a Company level. Turnover for the year ended 31 March 2023 was £19,619,254 (31 March 2022 - £9,575,736) and EBITDA was £6,456,419 (31 March 2022 - £1,878,163).

Other key performance indicators

The Company does not consider that there are any non-financial key performance indicators which require Disclosure

DIONA CONSTRUCTION LTD.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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

S Anderson
Director

Date: 29 May 2024

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The Directors present their report and the financial statements for the year ended 31 March 2023.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company'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 Company 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 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 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 £4,985,985 (2022 - £1,302,112).

Dividends of £2,330,000 (2022 - £610,000) were paid for the year ended 31 March 2023.

Directors

The Directors who served during the year and up until the date of this report, unless otherwise stated, were:

S Anderson
W Docherty
C Wright (appointed 19 May 2022)

Matters covered in the Strategic Report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report. These matters relate to Principal activities, Business review, Principal risk and uncertainties, Future developments, Section 172 statement, Stakeholder engagement, Financial key performance indicators and other key performance indicators.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Disclosure of information to auditor

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's auditor is 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's auditor is aware of that information.

Economic impact of global events

UK businesses are currently facing many uncertainties such as the consequences of Brexit, COVID-19, environmental sustainability and geopolitical events such as the Russian invasion of Ukraine and the current political tensions in the Middle East.

The Directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and have concluded that these are non-adjusting events with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment.

Diona Construction Ltd continue to work with its partners to minimise any impacts of these events and maximise the realisation of any opportunities they may provide to the business.

Going Concern

As described in note 2.2 to the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the signing of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Post balance sheet events

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

Auditor

The auditor, Mazars, 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 by:

S Anderson

Director

Date: 29 May 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIONA CONSTRUCTION LTD.

Opinion

We have audited the financial statements of Diona Construction Ltd. (the 'Company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and Notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIONA CONSTRUCTION LTD.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 AUDITOR'S REPORT TO THE MEMBERS OF DIONA CONSTRUCTION LTD.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 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 intend either to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIONA CONSTRUCTION LTD.

In addition, we evaluated the Directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 auditor's report.

Other Matters

The financial statements for Diona Construction Ltd for the year ended 31 March 2022 were unaudited.

Use of the audit report

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

Austin Sammon (Senior statutory auditor)

for and on behalf of

Mazars

Chartered Accountants and Statutory Auditor

Mayoralty House
Galway
Ireland
H91 P8PR

29 May 2024

DIONA CONSTRUCTION LTD.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	Unaudited 2022 £
Turnover	4	19,619,254	9,575,736
Cost of sales		(8,932,561)	(4,616,893)
Gross profit		<u>10,686,693</u>	<u>4,958,843</u>
Administrative expenses		(4,660,296)	(3,266,633)
Other operating income	5	1,348	2,444
Operating profit	6	<u>6,027,745</u>	<u>1,694,654</u>
Interest receivable and similar income	10	25,695	1,808
Interest payable and similar expenses	11	(18,799)	(9,623)
Profit before tax	6	<u>6,034,641</u>	<u>1,686,839</u>
Tax on profit	12	(1,048,656)	(384,727)
Profit for the financial year		<u><u>4,985,985</u></u>	<u><u>1,302,112</u></u>

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 (2022 - £Nil).

The notes on pages 17 to 31 form part of these financial statements.

DIONA CONSTRUCTION LTD.
REGISTERED NUMBER: SC278146

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	Unaudited 2022 £
Fixed assets			
Intangible assets	14	-	1,974
Tangible assets	15	2,057,733	1,788,827
		2,057,733	1,790,801
Current assets			
Debtors: amounts falling due within one year	16	2,082,222	366,934
Cash at bank and in hand	17	11,561,440	6,553,360
		13,643,662	6,920,294
Creditors: amounts falling due within one year	18	(6,501,793)	(2,420,738)
		7,141,869	4,499,556
Net current assets			
		9,199,602	6,290,357
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	19	(408,129)	(216,426)
Provisions for liabilities			
Deferred tax	22	(505,633)	(444,076)
		(505,633)	(444,076)
Net assets			
		8,285,840	5,629,855
Capital and reserves			
Called up share capital	23	10,000	10,000
Profit and loss account	24	8,275,840	5,619,855
		8,285,840	5,629,855

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

S Anderson
Director

Date: 29 May 2024

The notes on pages 17 to 31 form part of these financial statements.

DIONA CONSTRUCTION LTD.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2022	10,000	5,619,855	5,629,855
Comprehensive income for the year			
Profit for the financial year	-	4,985,985	4,985,985
Total comprehensive income for the year	-	4,985,985	4,985,985
Contributions by and distributions to owners			
Dividends: Equity capital	-	(2,330,000)	(2,330,000)
At 31 March 2023	<u>10,000</u>	<u>8,275,840</u>	<u>8,285,840</u>

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2021	10,000	4,927,743	4,937,743
Comprehensive income for the year			
Profit for the financial year	-	1,302,112	1,302,112
Total comprehensive income for the year	-	1,302,112	1,302,112
Contributions by and distributions to owners			
Dividends: Equity capital	-	(610,000)	(610,000)
At 31 March 2022	<u>10,000</u>	<u>5,619,855</u>	<u>5,629,855</u>

The notes on pages 17 to 31 form part of these financial statements.

DIONA CONSTRUCTION LTD.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	2023	2022
	£	£
Cash flows from operating activities		
Profit for the financial year	4,985,985	1,302,112
Adjustments for:		
Amortisation of intangible assets	817	476
Depreciation of tangible fixed assets	427,858	182,557
Interest payable and similar expenses	18,799	9,623
Interest receivable and similar income	(25,695)	(1,808)
Taxation charge	1,048,656	384,727
(Increase)/decrease in debtors	(1,715,288)	507,311
Increase/(decrease) in creditors	3,150,653	(246,214)
Corporation tax (paid)	(104,169)	(83,823)
Profit on sale of tangible fixed assets	(33,718)	(6,647)
Net cash generated from operating activities	7,753,898	2,048,314
Cash flows used in investing activities		
Purchase of intangible assets	-	(2,450)
Sale of intangible assets	1,157	-
Purchase of tangible fixed assets	(786,465)	(877,010)
Sale of tangible fixed assets	123,419	12,530
Interest received	25,695	1,808
Net cash used in investing activities	(636,194)	(865,122)
Cash flows from financing activities		
(Repayment) of/new finance leases	239,175	182,212
Dividends paid	(2,330,000)	(610,000)
Interest paid	(18,799)	(9,623)
Net cash used in financing activities	(2,109,624)	(437,411)
Net increase in cash and cash equivalents	5,008,080	745,781
Cash and cash equivalents at beginning of year	6,553,360	5,807,579
Cash and cash equivalents at the end of year	11,561,440	6,553,360

DIONA CONSTRUCTION LTD.

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	11,561,440	6,553,360
	<u>11,561,440</u>	<u>6,553,360</u>

The notes on pages 17 to 31 form part of these financial statements.

DIONA CONSTRUCTION LTD.

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2023

	At 1 April 2022	Cash flows	New finance leases	At 31 March 2023
	£	£	£	£
Cash at bank and in hand	6,553,360	5,008,080	-	11,561,440
Finance leases	(509,153)	325,445	(564,620)	(748,328)
	<u>6,044,207</u>	<u>5,333,525</u>	<u>(564,620)</u>	<u>10,813,112</u>

The notes on pages 17 to 31 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. General information

Diona Construction Ltd. (the 'Company') is a private Company limited by shares, registered and incorporated in England and Wales. The Company's registered number is SC278146. The Company's registered office is 55 Hamilton Street, Polmadie, Glasgow, G42 0PL.

The principal activity of the Company is the provision of telecommunication and power network services.

These financial statements have been presented in Pound Sterling (£) as this is the currency of the primary economic environment in which the Company operates and is rounded to the nearest pound.

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 management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements for Diona Construction Ltd. for the year ended 31 March 2022 were unaudited.

The following principal accounting policies have been applied:

2.2 Going concern

A review of the Company's business activities, future developments and principal risks and uncertainties are set out in the Strategic Report and Directors' Report. As at 31 March 2023, the Company has net assets of £8,285,840 and net current assets of £7,141,869 (2022 - net assets of £5,629,855 and net current assets of £4,499,556).

Having considered the aforementioned, and after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the signing of these financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover can be measured reliably;
- it is probable that the Company 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.

2.4 Interest income

Interest income is recognised in the Statement of Comprehensive income using the effective interest method.

2.5 Finance costs

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

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.7 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 Statement of Financial Position date.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Software	-	33 % straight line
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2.9 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	15%	reducing balance
Office equipment	-	15%	reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.10 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.

2.11 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 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 Company's cash management.

2.12 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.

2.13 Provisions for liabilities

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting 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 Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.14 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. Turnover

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

	2023	2022
	£	£
Services	<u>19,619,254</u>	<u>9,575,736</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2023	2022
	£	£
Other operating income	<u>1,348</u>	<u>2,444</u>

6. Operating profit

The operating profit is stated after charging:

	2023	2022
	£	£
Depreciation on tangible assets	427,858	183,033
Amortisation on intangible assets	817	476
Profit on sale of tangible assets	(33,718)	(6,647)
Other operating lease rentals	<u>159,642</u>	<u>89,058</u>

DIONA CONSTRUCTION LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2023	2022
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>12,500</u>	<u>-</u>
Fees payable to the Company's auditor in respect of:		
Taxation compliance services	3,500	2,950
All other services	<u>6,450</u>	<u>3,250</u>

8. Employees

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

	2023	2022
	£	£
Wages and salaries	3,012,745	2,267,299
Social security costs	338,081	238,738
Cost of defined contribution scheme	123,713	111,216
	<u>3,474,539</u>	<u>2,617,253</u>

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

	2023	2022
	No.	No.
Head count	<u>65</u>	<u>54</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	295,790	131,577
Company contributions to defined contribution pension schemes	76,714	77,703
	372,504	209,280

During the year, retirement benefits were accruing to no Directors (2022 - Nil) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £131,291 (2022 - £114,072).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £Nil (2022 - £37,629).

10. Interest receivable

	2023	2022
	£	£
Other interest receivable	25,695	1,808

11. Interest payable and similar expenses

	2023	2022
	£	£
Bank interest payable	18,799	9,623

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Taxation

	2023	2022
	£	£
Corporation tax		
Current tax on profits for the year	961,504	148,965
Adjustments in respect of previous periods	25,595	-
	<u>987,099</u>	<u>148,965</u>
Deferred tax		
Origination and reversal of timing differences	59,486	169,979
Changes to tax rates	-	65,783
Adjustment in respect to the previous periods	2,071	-
	<u>61,557</u>	<u>235,762</u>
Tax on profit on ordinary activities	<u>1,048,656</u>	<u>384,727</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - higher than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023	2022
	£	£
Profit on ordinary activities before tax	<u>6,034,641</u>	<u>1,686,839</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	1,146,582	320,499
Effects of:		
Fixed asset differences	(43,154)	(50,129)
Expenses not deductible for tax purposes	12,578	7,819
Research and development credits	(38,937)	-
Adjustments to tax charge in respect of previous periods	25,595	-
Adjustments to tax charge in respect of previous periods - deferred tax	2,071	-
Remeasured of deferred tax for changes in tax rates	14,277	106,578
Other differences	(70,356)	(40)
Total tax charge for the year	<u>1,048,656</u>	<u>384,727</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Taxation (continued)

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase. Deferred tax is provided for at 25% as that was the substantively enacted rate at the reporting date.

13. Dividends

	2023	2022
	£	£
Dividends paid	<u>2,330,000</u>	<u>610,000</u>

14. Intangible assets

	Software
	£
Cost	
At 1 April 2022	2,450
Disposals	(2,450)
At 31 March 2023	<u>-</u>
Amortisation	
At 1 April 2022	476
Charge for the year	817
On disposals	(1,293)
At 31 March 2023	<u>-</u>
Net book value	
At 31 March 2023	<u>-</u>
At 31 March 2022	<u>1,974</u>

DIONA CONSTRUCTION LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Tangible fixed assets

	Plant and machinery	Office equipment	Total
	£	£	£
Cost			
At 1 April 2022	2,429,625	48,851	2,478,476
Additions	783,473	2,992	786,465
Disposals	(203,405)	(36,887)	(240,292)
At 31 March 2023	<u>3,009,693</u>	<u>14,956</u>	<u>3,024,649</u>
Depreciation			
At 1 April 2022	663,586	26,063	689,649
Charge for the year on owned assets	314,486	3,712	318,198
Charge for the year on financed assets	109,660	-	109,660
Disposals	(124,656)	(25,935)	(150,591)
At 31 March 2023	<u>963,076</u>	<u>3,840</u>	<u>966,916</u>
Net book value			
At 31 March 2023	<u>2,046,617</u>	<u>11,116</u>	<u>2,057,733</u>
At 31 March 2022	<u>1,766,039</u>	<u>22,788</u>	<u>1,788,827</u>

16. Debtors

	2023	2022
	£	£
Trade debtors	1,562,222	362,134
Amounts owed by related undertakings (note 27)	520,000	-
Prepayments and accrued income	-	4,800
	<u>2,082,222</u>	<u>366,934</u>

DIONA CONSTRUCTION LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	<u>11,561,440</u>	<u>6,553,360</u>

18. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	839,682	744,252
Corporation tax	1,031,861	148,931
Other taxation and social security	476,956	230,444
Obligations under finance lease and hire purchase contracts	340,199	292,727
Other creditors	3,588,760	838,984
Accruals and deferred income	224,335	165,400
	<u>6,501,793</u>	<u>2,420,738</u>

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

	2023	2022
	£	£
Obligations under finance leases and hire purchase contracts	<u>408,129</u>	<u>216,426</u>

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023	2022
	£	£
Within one year	340,199	292,727
Between 1-5 years	408,129	216,426
	<u>748,328</u>	<u>509,153</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. Financial instruments

	2023	2022
	£	£
Financial assets		
Financial assets measured at amortised cost	11,561,440	6,553,360
Financial assets that are debt instruments measured at amortised cost	2,082,222	362,134
	<u>13,643,662</u>	<u>6,915,494</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>4,652,776</u>	<u>1,748,636</u>

Financial assets measured at amortised cost comprise of cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and amounts owed by related undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, bank overdrafts, bank loans, loan notes, other creditors and accruals.

22. Deferred taxation

	2023	2022
	£	£
At beginning of year	(444,076)	(208,314)
Charged to Statement of Comprehensive Income	(61,557)	(235,762)
At end of year	<u>(505,633)</u>	<u>(444,076)</u>

The provision for deferred taxation is made up as follows:

	2023	2022
	£	£
Accelerated capital allowances	(507,261)	(447,700)
Other item	1,628	3,624
	<u>(505,633)</u>	<u>(444,076)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

23. Share capital

	2023	2022
	£	£
Allotted, called up and fully paid		
10,000 (2022 - 10,000) Ordinary shares of £1.00 each	<u>10,000</u>	<u>10,000</u>

Each ordinary share carries with it one voting right, but have no rights to fixed income or any other preference attached to them.

24. Reserves

Profit and loss account

The Profit and loss account reserve represents accumulated profits and losses of the Company, less the payment of dividends.

25. Pension commitments

The Company operates a defined contributions 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 Company to the fund and amounted to £123,713 (2022 - £111,216). Contributions totalling £15,197 (2022 - £14,496) were payable to the fund at the year end date and are included in creditors.

26. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023	2022
	£	£
Not later than 1 year	<u>50,000</u>	<u>50,000</u>

27. Related party transactions

The Company rents premises from a Director for £50,000 (2022 - £50,000), which is equivalent to the market rate.

During the year, a loan amount of £520,000 were provided to Diona Holdings Limited, a company related through common Directors and ownership.

28. Post balance sheet events

There have been no significant events affecting the Company since the year end which requires disclosure within these financial statements.

DIONA CONSTRUCTION LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

29. Controlling party

The Company is controlled by the Directors who have beneficial ownership of the majority of the issued share capital of the Company.

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