

Profits soar at JT Dove as hunt for acquisition opportunities continues

Builders' merchant JT Dove saw operating profits nearly double to £6.1m thanks to the pandemic construction and DIY boom, the firm has revealed in its latest set of accounts.

Despite materials shortages posing challenges, directors at the Newcastle-based business said investment in stock meant customers had not missed out on products. Turnover rose from £67m to £89.9m in 2021 as the firm opened its 21st branch via the £1.29m acquisition of The Builders Warehouse (North East) Limited – the latest in a string of purchases that has grown the long-standing business in recent years.

JT Dove, which employs about 330 people, promised to continue the search of expansion opportunities as well as branch development and further investment into the business. Among environmental measures, electric forklift trucks were trailed in branches which could lead to the replacement of the existing diesel fleet.

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In a report accompanying the accounts, director Jonathan Archer wrote: “The company reported a profit before taxation for the year of £6.1m (2020: £3.5m). Strong growth was experienced during 2021 at both a turnover and a gross margin level.

“The company continued to deal successfully with the numerous challenges presented by the Covid-19 pandemic and its consequent impact on the global supply chain. A key contributing factor in its success was the decision to further invest in its comprehensive stockholdings in product groups

with high demand and stock turnover.

“This ensured that customers were not exposed to the shortages experienced during the year elsewhere in the market. The company opened its 21st branch at Shotton Colliery via the acquisition in March 2021 of The Builders Warehouse (North East) Limited. The company’s continuing success is only made possible by the commitment and professionalism of its staff and the high level of service they provide to customers.”

He added: “Despite the challenges posed by macroeconomic conditions and war in the Ukraine, 2022 has begun with reasonable optimism. Whilst global economic conditions have direct consequences for the fortunes of the company the directors are encouraged by performance in the year to date.

“The company continues to seek opportunities for expansion, branch development and further investment in the business.”

JT Dove was established in 1869 and in 1954 Herbert Dove gave the entire shareholding to an employee benefit trust. Under the arrangement, the trustees are shareholders rather than private individuals or companies seeking to profit from the ownership. Company directors are appointed by the trustees who benefit from an employee profit share scheme, giving them an annual payment based upon profits for the financial year.

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