

Company Registration No. 07705657 (England and Wales)

PLATT & REILLY UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

PLATT & REILLY UK LIMITED

COMPANY INFORMATION

Directors	C Reilly P Reilly D Platt
Company number	07705657
Registered office	5 Beauchamp Court Victors Way Barnet London EN5 5TZ
Auditor	Evans Mockler Limited 5 Beauchamp Court Victors Way Barnet London EN5 5TZ
Business address	3rd Floor 76-80 Old Broad Street London EC2M 1QP

PLATT & REILLY UK LIMITED

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PLATT & REILLY UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

The company's principal activity remains that of construction services, specifically that of partition wall and ceiling contractors. The company remains part of a growing group with locations in the United Kingdom (UK) and Ireland.

Principal risks and uncertainties

The company's business is closely aligned with the general health of the construction industries. The current energy crisis, the Russia and Ukraine situation both continue to cast uncertainty over the contracting business sector and wider economy generally. The Directors have continued to proceed with the current strategy of managing these risks whilst simultaneously pursuing the continued growth of the business.

Development and performance

The UK construction industry continued to have its challenges in 2021 with rising inflation impacting core raw material costs. These results record a turnover of £29.3 million (2020: £38.7 million) however despite this gross margin has been maintained on prior year at 9.27% (2019: 9.38%).

The long term strategic view of the directors in the area of cost control has contributed greatly to maintaining margin. IT systems implemented in 2020 continue to support more detailed tracking and financial analysis to assist the directors in making more informed decisions around costs.

As expected 2021 had its challenges with activity levels decreasing due to uncertainty in the market in general and rising raw material costs. Order books for 2022 are looking at long stronger and expected turnover levels should be closer to 2019.

Key performance indicators

The company tracks costs on a project by project basis and sets its financial key performance indicators as labour costs, materials, overhead, gross profit and net profit margins.

Financial risk management objectives and policies

In order to manage its financial risk the company, as a rule of thumb, tenders for price based work which reduces the price volatility risk once a project has been won; a large proportion of the projects undertaken by the company are with large, reputable, credit worthy construction companies including FTSE listed companies reducing its exposure to credit risk from its projects; and finally the company prepares and tracks cash flow forecasts to ensure it has sufficient liquidity going forward, using where necessary short term borrowings and financing.

On behalf of the board

P Reilly

Director

30 September 2022

PLATT & REILLY UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Principal activities

The principal activity of the company continued to be that of construction services.

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £1,345,617. The directors do not recommend payment of a final dividend.

Directors

The directors who held office at the year end and up to the date of signature of the financial statements were as follows:

C McGrath	(Resigned 4 June 2021)
C Reilly	
P Reilly	
D Platt	

Future developments

The company closely monitors the economic situation in the UK, particularly in respect of the current Russia and Ukraine situation and the impact on the UK Governments in terms of energy needs and the ripple effect. The company takes all necessary measures to ensure the company adapts to meet the needs of the market, details of which are set out within this report.

While the directors expect the global and national economic environments to impact the construction sector they believe the company is well positioned to achieve its objectives of increasing profitability through good revenue visibility, tight cost controls and a good project pipeline.

Auditor

The directors confirm the reappointment of the company's auditors, Evans Mockler Limited, for the forthcoming year.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

P Reilly
Director

30 September 2022

PLATT & REILLY UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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.

PLATT & REILLY UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PLATT & REILLY UK LIMITED

Opinion

We have audited the financial statements of Platt & Reilly UK Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 December 2021 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. 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 our 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.

PLATT & REILLY UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PLATT & REILLY UK LIMITED

Matters on which we are required to report by exception

In the 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 and the directors' report.

We have nothing to report in respect of the following matters where 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 either intend 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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.

- we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the Directors (as required by auditing standards).
- we had regard to laws and regulations in areas that directly affect the financial statements including financial reporting and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- with the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the Directors.
- we communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- we addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

PLATT & REILLY UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) **TO THE MEMBERS OF PLATT & REILLY UK LIMITED**

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Mark Cook (Senior Statutory Auditor)
For and on behalf of Evans Mockler Limited

30 September 2022

Chartered Certified Accountants
Statutory Auditor

5 Beauchamp Court
Victors Way
Barnet
London
EN5 5TZ

PLATT & REILLY UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	29,369,405	38,722,471
Cost of sales		(26,647,766)	(35,089,368)
Gross profit		2,721,639	3,633,103
Administrative expenses		(886,447)	(2,620,645)
Other operating income		-	21,980
Exceptional item	4	(1,107,167)	-
Operating profit	5	728,025	1,034,438
Interest receivable and similar income	8	17	3,538
Interest payable and similar expenses	9	(50,844)	(53,514)
Profit before taxation		677,198	984,462
Tax on profit	10	378,953	(199,989)
Profit for the financial year		1,056,151	784,473

The profit and loss account has been prepared on the basis that all operations are continuing operations.

PLATT & REILLY UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Stocks	12	526,403		-	
Debtors	13	6,346,049		9,323,396	
Cash at bank and in hand		2,096,761		2,654,444	
		<u>8,969,213</u>		<u>11,977,840</u>	
Creditors: amounts falling due within one year	14	<u>(5,324,194)</u>		<u>(8,043,355)</u>	
Net current assets			3,645,019		3,934,485
			<u><u>3,645,019</u></u>		<u><u>3,934,485</u></u>
Capital and reserves					
Called up share capital	17		400		400
Profit and loss reserves			3,644,619		3,934,085
			<u>3,644,619</u>		<u>3,934,085</u>
Total equity			<u><u>3,645,019</u></u>		<u><u>3,934,485</u></u>

The financial statements were approved by the board of directors and authorised for issue on 30 September 2022 and are signed on its behalf by:

P Reilly
Director

Company Registration No. 07705657

PLATT & REILLY UK LIMITED

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

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2020		400	4,149,612	4,150,012
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	784,473	784,473
Dividends	11	-	(1,000,000)	(1,000,000)
Balance at 31 December 2020		400	3,934,085	3,934,485
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	1,056,151	1,056,151
Dividends	11	-	(1,345,617)	(1,345,617)
Balance at 31 December 2021		400	3,644,619	3,645,019

PLATT & REILLY UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	21	1,203,457		1,559,810	
Interest paid		(50,844)		(53,513)	
Income taxes paid		(301,000)		(130,000)	
Net cash inflow from operating activities		<u>851,613</u>		<u>1,376,297</u>	
Investing activities					
Interest received		<u>17</u>		<u>3,538</u>	
Net cash generated from investing activities			17		3,538
Financing activities					
Dividends paid		<u>(1,345,617)</u>		<u>(1,000,000)</u>	
Net cash used in financing activities			<u>(1,345,617)</u>		<u>(1,000,000)</u>
Net (decrease)/increase in cash and cash equivalents			<u>(493,987)</u>		<u>379,835</u>
Cash and cash equivalents at beginning of year		2,075,927		1,696,092	
Cash and cash equivalents at end of year		<u>1,581,940</u>		<u>2,075,927</u>	
Relating to:					
Cash at bank and in hand		2,096,761		2,654,444	
Bank overdrafts included in creditors payable within one year		<u>(514,821)</u>		<u>(578,517)</u>	

PLATT & REILLY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Platt & Reilly UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 5 Beauchamp Court, Victors Way, Barnet, London, EN5 5TZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for work completed net of VAT and trade discounts. Sales are recognised on the basis of work measured, valued and certified at the year end. Further details of the revenue recognition criteria applied by the company can be found at "1.5 Construction Contracts" within these financial statements.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Stocks

Stock is valued at the lower of cost and net realisable value,

1.6 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

PLATT & REILLY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet 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 debtors and cash and bank balances, are measured at transaction price.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

PLATT & REILLY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Classification of 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 deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

PLATT & REILLY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements 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 amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

PLATT & REILLY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £	2020 £
Turnover analysed by class of business		
Construction services	29,369,405	38,722,471

	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	29,369,405	38,722,471

	2021 £	2020 £
Other significant revenue		
Interest income	17	3,538
Grants received	-	21,980

4 Exceptional items

The company entered into a remuneration plan a number of years ago and following a successful challenge by H M Revenue & Customs, the company agreed to enter into a negotiated settlement which has been finalised post the balance sheet date.

This settlement totals £1,107,167 including interest without any penalties and has been provided in full in these financial statements.

5 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(21,980)
Fees payable to the company's auditor for the audit of the company's financial statements	18,500	18,500
Operating lease charges	77,210	72,507

PLATT & REILLY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Employees

	2021 Number	2020 Number
Directors	4	4
Direct operatives	14	14
	<u>18</u>	<u>18</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	844,249	849,428
Social security costs	94,809	93,725
Pension costs	31,418	31,172
	<u>970,476</u>	<u>974,325</u>

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	<u>24,000</u>	<u>32,000</u>

8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	<u>17</u>	<u>3,538</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>17</u>	<u>3,538</u>
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PLATT & REILLY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on invoice finance arrangements	43,446	53,514
Other finance costs:		
Other interest	7,398	-
	<u>50,844</u>	<u>53,514</u>

10 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	185,126	199,989
Adjustments in respect of prior periods	(564,079)	-
Total current tax	<u>(378,953)</u>	<u>199,989</u>

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	<u>677,198</u>	<u>984,462</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	128,668	187,048
Tax effect of expenses that are not deductible in determining taxable profit	56,458	12,941
Under/(over) provided in prior years	<u>(564,079)</u>	<u>-</u>
Taxation (credit)/charge for the year	<u>(378,953)</u>	<u>199,989</u>

11 Dividends

	2021 £	2020 £
Interim paid	<u>1,345,617</u>	<u>1,000,000</u>

12 Stocks

	2021 £	2020 £
Materials held as stock	<u>526,403</u>	<u>-</u>

PLATT & REILLY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	1,136,613	-
Gross amounts owed by contract customers	4,397,558	9,106,968
Corporation tax recoverable	391,583	-
Other debtors	68,296	122,514
Prepayments and accrued income	351,999	93,914
	<u>6,346,049</u>	<u>9,323,396</u>

14 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Bank loans and overdrafts	15	514,821	578,517
Trade creditors		1,986,269	4,168,296
Amounts owed to group undertakings		340,000	1,340,000
Corporation tax		-	288,370
Other taxation and social security		223,065	313,655
Other creditors		1,484,974	404,378
Accruals and deferred income		775,065	950,139
		<u>5,324,194</u>	<u>8,043,355</u>

15 Loans and overdrafts

	2021	2020
	£	£
Bank overdrafts	<u>514,821</u>	<u>578,517</u>
Payable within one year	<u>514,821</u>	<u>578,517</u>

Short term bank financing

The company's short term bank financing is secured by a) fixed and floating charges over the company's assets; b) a parent company guarantee from RPM Investment Holdings Limited for all debts and liabilities; and c) a directors personal guarantees to the sum of £280,000 against all debts and liabilities that may become due to the bank.

PLATT & REILLY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	31,418	31,172

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2021	2020
Ordinary share capital	£	£
Issued and fully paid		
400 Ordinary shares of £1 each	400	400

18 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain of its properties. Leases are negotiated on a case by case basis with variable lease terms.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	45,972	68,960
Between two and five years	-	45,972
	45,972	114,932

PLATT & REILLY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Related party transactions

Remuneration of key management personnel

The parent undertaking of Platt & Reilly UK Limited is RPM Investment Holdings Ltd. There is no ultimate controlling party.

Transactions with related parties

		Income		Payments	
	Description of transaction	2021	2020	2021	2020
		£	£	£	£
Other related parties	Direct costs	1,981,000	-	302,000	904,008
Other related parties	Management charges	-	-	185,000	1,818,610

Other information

All transactions with related parties were undertaken in the normal course of business.

At the year-end there was a loan balance of £340,000 (2020: £1,340,000) due to the parent undertaking. This loan balance is repayable on demand.

20 Ultimate controlling party

The parent company of Platt & Reilly UK Limited is RPM Investment Holdings Limited. A company incorporated in the Republic of Ireland.

There is no ultimate controlling party.

21 Cash generated from operations

	2021	2020
	£	£
Profit for the year after tax	1,056,151	784,473
Adjustments for:		
Taxation (credited)/charged	(378,953)	199,989
Finance costs	50,844	53,514
Investment income	(17)	(3,538)
Movements in working capital:		
Increase in stocks	(526,403)	-
Decrease/(increase) in debtors	3,368,930	(8,446)
(Decrease)/increase in creditors	(2,367,095)	533,818
Cash generated from operations	1,203,457	1,559,810

PLATT & REILLY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Analysis of changes in net funds

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	2,654,444	(557,683)	2,096,761
Bank overdrafts	(578,517)	63,696	(514,821)
	<u>2,075,927</u>	<u>(493,987)</u>	<u>1,581,940</u>

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.