

Registration number: 07783912

Purple Alpha Limited

Annual Report and Consolidated Financial Statements
for the Year Ended 31 December 2018



Purple Alpha Limited

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Purple Alpha Limited

Strategic Report for the Year Ended 31 December 2018

The Directors present their strategic report for the year ended 31 December 2018.

Principal activity

The principal activity of the Group is the undertaking of infrastructure, rail and building activities in England and Wales for the public and private sector. It constantly reviews its position and performance and evaluates alternatives and new markets for the purposes of advancement, efficiency, and effectiveness and continued consolidation of presence throughout its operating regions. Purple Alpha Limited is referred to throughout as the Company and Purple Alpha Limited and its subsidiaries are referred to as the Group.

On 4 January 2018 100% of the ordinary share capital of the Company was acquired by Tarmac Trading Limited.

Tarmac Trading Limited is a wholly owned subsidiary of Tarmac Holdings Limited. Tarmac Holdings Limited is part of the CRH Group. Tarmac Holdings Limited and its subsidiaries are referred to throughout as Tarmac and CRH plc and its subsidiaries are referred to as CRH.

Fair review of the business

Financial performance

During the year, the Group generated turnover of £202,723,050 (2017: £182,403,106) and an operating profit of £512,909 (2017: £1,015,623). EBITDA (being earnings before interest, tax, depreciation and amortisation) was £523,473 (2017: £1,028,530).

Balance sheet

At 31 December 2018, the Group had net assets of £1,664,069 (2017: £1,206,719) and net current liabilities of £2,129,829 (2017: £2,590,822 restated).

In order to realise its strategic aims, the Group has identified areas of particular focus and has put in place a number of Key Performance Indicators (KPIs) to measure and assess progress against them. The following indicators are calculated for the continuing operations of the Group and before exceptional items:

	2018	2017
Turnover	£202.7m	£182.4m
Gross profit	£9.9m	£10.8m
Net profit before tax and exceptional items	£0.4m	£1.1m
Gross profit margin	4.8%	5.9%

Purple Alpha Limited

Strategic Report for the Year Ended 31 December 2018 (continued)

Principal risks and uncertainties

The Group operates in a highly regulated market, where health and safety and other statutory compliances are strictly monitored and the Group manages these risks by employing staff and operatives qualified to the appropriate industry regulatory standards. The Group has built a strong reputation within its operating area through high standards of workmanship, flexibility through in house delivery and its commitment to meet the specific requirements of its clients.

The principal risks and uncertainties facing the Group are considered to be:

External market outlook - as noted in the "Future Developments" section in the Directors' Report, changes in the UK macro-environment and government policy could impact the Group's performance. The Group continues to monitor the market and government policy to mitigate risks where possible;

Competitive environment - increasing competition has the potential to impact the Group's margins. The Group is in a position to mitigate this threat by being part of a vertically integrated business, and is therefore able to leverage on other Group companies in order to differentiate itself from its competitors;

Health & safety - see separate section on page below;

Liquidity and cash flow risk - in order to maintain liquidity, the Group's funding requirements are under constant review. The Group is part of a Tarmac wide cash pooling arrangement and as such the cash is managed at a Tarmac level. Cash is able to be placed on deposit within the CRH Group cash pooling system which allows advantageous interest rates to be gained on cash put on deposit. Cash placed with CRH is able to be accessed by Tarmac at any time;

Credit risk - the Group's principal financial assets are cash and bank balances, trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are stated net of allowances for doubtful receivables. The Group has no significant concentration of credit risk;

Interest rate risk - the Group has interest rate exposure primarily on its amounts owed to Group undertakings. The Group has no significant further exposure to interest rate risk; and

Price risk - the Group seeks to mitigate its exposure to commodity price risk through using appropriate pricing mechanisms in the course of business with its customers.

Purple Alpha Limited

Strategic Report for the Year Ended 31 December 2018 (continued)

Development and performance

The Directors aim to maintain the management policies which have resulted in the Group's growth in the current and previous years.

Major projects have been secured in the infrastructure division including securing a region on Highways England RDP framework. This contributes towards underpinning the business model in the medium term and the Group has strategically placed resources to enable itself to carry out these works.

The Rail division is committed to expansion and development and raising its profile through participation in bidding and tendering processes, particularly through support to Amey Keolis in their bid for the Wales and Borders railway operating franchise.

The Group continues to commit to joint arrangements where appropriate in order to secure work and support our experience portfolio including new ventures with fellow Group companies.

The Group has operated under the ownership of Tarmac Trading Limited since 4 January 2018. The day to day running of the business has remained consistent with only limited changes to the key personnel within the Group. Management are working to consolidate and develop the above factors to enhance results in 2019. These include optimising site efficiencies, focused tendering and optimising financial entitlement.

Purple Alpha Limited

Strategic Report for the Year Ended 31 December 2018 (continued)

Sustainability

Sustainability remains a cornerstone to managing the long-term future of the Company and plays a fundamental role in shaping growth strategy. It also underpins the Company's vision of being recognised by clients as their contractor of first choice. For the Company, this encompasses keeping people safe, building a business that people want to work for and supporting local communities. It considers how operations are managed to protect the environment, maximise social and economic benefits, ensure strong financial and ethical governance and build stronger relationships with customers.

Whilst proud of the achievements made during the 2017-2018 Sustainability Challenge, it is important that the Company continues to set challenging targets and measure performance.

The 2019-2021 Sustainability Challenge will push this further, meeting the needs of clients, customers and stakeholders. It is vital that objectives meet local, national and international policy, including Welsh Government's Well-being of Future Generations Act and the United Nations' Sustainable Development Goals.

The Company has achieved a 12% improvement in accident statistics since January 2017. Support of Welsh-based businesses, community groups and charities has increased by 14%. Apprentice and Graduate Programmes and Staff Training Plans have been recognised with two prestigious national awards.

The decision to align the Sustainability Challenge with the Well-being of Future Generations Act has strengthened relationships with public body clients, including Welsh Government, Transport for Wales, Network Rail and Local Authorities. The Sustainability Challenge ensures the decisions made as a business take into account the needs of current and future generations.

The Company will continue to increase the visibility and understanding of the Sustainability Challenge, working towards a common goal of making the Company a more sustainable and responsible business.

Priorities

The 2019/21 Sustainability Challenge approach is built around four key priorities:

- Health & safety
- Economy
- Social & culture
- Environment

Under each key priority objectives and targets are set which will support the seven goals of the Well-being of Future Generations Act and deliver the sustainability vision.

Sustainability vision

The aim is to provide the infrastructure to support a vibrant economy with cohesive communities without a detrimental effect on the environment.

Purple Alpha Limited

Strategic Report for the Year Ended 31 December 2018 (continued)

Delivery

Through the Sustainability Challenge the Company will:

- Set short and long-term objectives and targets against which performance will be measured and reported;
- Identify opportunities to embed sustainability into all projects;
- Minimise any adverse impact caused by operations;
- Raise the profile of the sustainability agenda with staff, supply chain and stakeholders.

Recognition and awards

As a result of the Sustainability Challenge, the Company has achieved various awards including:

- winner of Constructing Excellence's National People Development Award 2018;
- winner of the Civil Engineering Contractors Association's Inspiring Change Award for Education;
- highly commended in the Chartered Institution of Highways and Transportation National Sustainability Award;
- highly commended in the Chartered Institution of Highways and Transportation National Skills and Training Award.

Health and safety

Sending everyone home safe and well at the end of every working day remains the ultimate safety priority.

To help achieve this goal, the Risk Management Maturity Model (RM3) has been used to assess the ability to successfully manage health and safety risks, help identify areas for improvement and provide a benchmark for year on year comparison.

Working with the Health and Safety Leadership Team, and supported by Regional Workforce Safety Committees, the 2019 Improvement Plan will be implemented. This will support the target of a zero Accident Frequency Rate with zero Dangerous occurrences.

Purple Alpha Limited

Strategic Report for the Year Ended 31 December 2018 (continued)

Local communities and partnerships

Economy

The Company is committed to developing a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work. Providing jobs for local people and opportunities for training and development throughout project delivery, ensures everyone reaches their full potential - irrespective of their background or circumstances. Further work needs to be done to address the current skills gap within the industry. In 2019, the Company joined The 5% Club. This commits to providing formal apprenticeships to over 5% of the workforce. Once again, the Apprentice Development Programme was recognised at a national level by winning Constructing Excellence's National People Development Award.

As a globally responsible business, the Company also ensures the supply chain mirrors its business ethics. The growth of local micro businesses, small and medium sized enterprises (SME's) and third sector organisations are supported, removing barriers faced during procurement and prompt payment.

Social and culture

Effective engagement with stakeholders throughout all stages of projects will help to develop and deliver well-connected cohesive communities. To do this, a team of Public Liaison Officers will be tasked with developing community-specific Customer Care & Communication Plans whilst Community Benefit Coordinators focus on addressing community issues. Project teams will embed themselves within the local community, reflect and have respect for local diversity, enhance the community identity and sense of belonging to the area and provide fair and equal opportunities for all residents.

Contributing to local education will remain a priority as the Company continues to strive to attract the next generation of Civil Engineers. Working with Business in the Community (BitC), a Business Class relationship with local educational institutions has been established which will help to engage with students at Key Stage Five with special educational needs and disabilities.

In delivering the infrastructure to enable economic progression, a lasting positive community legacy will remain. New targets will challenge projects to deliver lasting community legacy-benefits rather than short-term financial support.

Purple Alpha Limited

Strategic Report for the Year Ended 31 December 2018 (continued)

Local communities and partnerships (continued)

Environment

The aim is to provide the infrastructure to support a vibrant economy and cohesive communities without a detrimental effect on the environment. It is understood that operations may have environmental consequences and the Company strives to mitigate, minimise and offset any negative impacts. Producing project-specific Environmental Management Plans is standard practice on all projects together with opportunities to enhance local biodiversity and incorporate new habitats into projects. Reducing the impact on climate change and natural resource remains a key long-term objective. In 2019, the Company achieved its target of 20% reduction in carbon emissions, a year ahead of schedule and has started working towards an 80% reduction by 2050. The Waste to Wealth campaign which aims to eliminate avoidable waste by 2030 is being supported.

The Company will continue to upskill and educate the workforce, clients and stakeholders on sustainability, living within means and protecting the environment for future generations.

Quality

The Company operates with a culture of "Right First Time." Accordingly the Company provides the competencies and quality control systems to ensure best quality work is delivered to the agreed requirements and standards. Developed over the past 10 years the Company IMS accredited to PAS 99.(2012), encompasses the three main registrations namely: Quality to BS.EN.ISO.9001.2015; Environment to BS.EN.ISO.2015 and Health & Safety to OHSAS 18001.2007. Each Individual system is backed up by Company procedures which are enhanced by the introduction of contract specific issues in the form of a Contract IMS Plan. The Contract IMS Plan is specifically developed for the contract to ensure all legal, contractual and employer specific requirements are fully met.

Approved by the Board on 11 November 2019 and signed on its behalf by:



.....
N Mason
Director

Purple Alpha Limited

Directors' Report for the Year Ended 31 December 2018

The Directors present their report and the for the year ended 31 December 2018.

Directors

The Directors of the Company throughout the year and to the date of this report, except where otherwise stated, were as follows:

M Evans (appointed 4 January 2018)

A Morgan (appointed 4 January 2018)

P Fleetham (appointed 4 January 2018 and resigned 7 March 2018)

S Thompson (appointed 4 January 2018)

N Mason (appointed 4 January 2018)

P Fleetham (re-appointed 13 July 2018)

W Griffiths (resigned 4 January 2018)

P Griffiths (resigned 4 January 2018)

E Marlborough (resigned 4 January 2018)

A Griffiths (resigned 4 January 2018)

Directors' liabilities

The Articles of Association of the Company contain an indemnity in favour of all of the Directors of the Company that, subject to law, indemnifies the Directors, out of the assets of the Company, from any liability incurred by them in defending any proceedings in which judgement is given in their favour (or otherwise disposed of without any finding or admission of any material breach of duty on their part).

Employee involvement

It is Group and Tarmac group wide policy to communicate with, and involve employees on, matters affecting their interests at work and to inform them of the performance of the business. This includes adopting such employee consultation as is appropriate, including consultative committees, training and development and communication programmes. The information is complemented by the Tarmac magazine and information on the Tarmac intranet, which contain items of news, current affairs and information relevant to employees.

It is also Group and Tarmac group wide policy to treat all employees and potential employees equally and to give full consideration to suitable applications for employment from disabled persons where they have the necessary abilities and skills for the position and, wherever possible, to re-train employees who become disabled so that they can continue their employment.

Purple Alpha Limited

Directors' Report for the Year Ended 31 December 2018 (continued)

Future developments

Market conditions remain challenging on the back of the political uncertainty and continuing Brexit impacts. Market growth is expected to be flat at best year on year with big infrastructure projects delayed until 2020 onwards. The medium to long term prospects remain positive given the level of investment which is required in UK infrastructure and the confirmation the Government has given for their support for a number of key infrastructure projects in the UK pipeline. Management remain focused on what can be controlled as a business and will continue to work towards investing in construction solutions for the future.

Going concern

The Group has considered going concern in preparing these financial statements.

Detailed forecasts including the Group are prepared on a Tarmac basis for a period of at least 12 months from the date of approval of these financial statements. Given that forecasts are not prepared by statutory entity, confirmation of ongoing support throughout an equivalent period has been obtained from the Group's ultimate parent company, CRH plc.

After receiving this confirmation, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Dividend

No dividends have been paid in the year (2017: £1,552,842).

Purple Alpha Limited

Directors' Report for the Year Ended 31 December 2018 (continued)

Disclosure of information to the auditor

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

During the year James & Uzzell Limited resigned as the Company's auditor and Ernst & Young LLP were appointed in their place.

Ernst & Young LLP have indicated their willingness to be reappointed as auditor. No notice in accordance with s488 of the Companies Act 2006 (which would operate to prevent the deemed reappointment of auditors under s487(2) of that Act) has been or is expected to be received and accordingly the necessary conditions are in place for the deemed reappointment of the auditors to take place in the absence of an Annual General Meeting.

Approved by the Board on 11 November 2019 and signed on its behalf by:



.....
N Mason
Director

Purple Alpha Limited

Statement of Directors' Responsibilities

The Directors acknowledge their responsibilities 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 Group and Company 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 Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Purple Alpha Limited

Independent Auditor's Report to the Members of Purple Alpha Limited

Opinion

We have audited the financial statements of Purple Alpha Limited (the 'parent Company') and its subsidiaries (the 'group') for the year ended 31 December 2018, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent Company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group and parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Purple Alpha Limited

Independent Auditor's Report to the Members of Purple Alpha Limited (continued)

Other information (continued)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Purple Alpha Limited

Independent Auditor's Report to the Members of Purple Alpha Limited (continued)

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our audit 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's members as a body, for our audit work, for this report or for the opinions we have formed.



Andrew Merrick (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

1 Colmore Square
Birmingham
B4 6HQ

Date: 11 November 2019

Purple Alpha Limited

Consolidated Profit and Loss Account for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover	4	202,723,050	182,403,106
Cost of sales		<u>(192,828,649)</u>	<u>(171,651,480)</u>
Gross profit		9,894,401	10,751,626
Administrative expenses		(9,388,324)	(9,668,651)
Exceptional items		-	(73,667)
Other operating income		<u>6,832</u>	<u>6,315</u>
Operating profit	5	512,909	1,015,623
Other interest receivable and similar income	6	4,310	16,600
Interest payable and similar expenses	7	<u>(120,856)</u>	<u>-</u>
Profit before tax		396,363	1,032,223
Taxation	10	<u>60,987</u>	<u>(522,440)</u>
Profit for the financial year		<u><u>457,350</u></u>	<u><u>509,783</u></u>

The above results were derived from continuing operations.

The notes on pages 22 to 39 form an integral part of these financial statements.

Purple Alpha Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2018

	2018 £	2017 £
Profit for the year	<u>457,350</u>	<u>509,783</u>
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>457,350</u>	<u>509,783</u>

The notes on pages 22 to 39 form an integral part of these financial statements.

Purple Alpha Limited

(Registration number: 07783912)

Consolidated Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	4,004,208	4,014,772
Current assets			
Debtors	13	37,263,656	33,056,535
Cash at bank and in hand		<u>9,146,509</u>	<u>8,955,758</u>
		46,410,165	42,012,293
Creditors: Amounts falling due within one year	14	<u>(48,539,994)</u>	<u>(44,603,115)</u>
Net current liabilities		<u>(2,129,829)</u>	<u>(2,590,822)</u>
Total assets less current liabilities		1,874,379	1,423,950
Provisions for liabilities	16	<u>(210,310)</u>	<u>(217,231)</u>
Net assets		<u>1,664,069</u>	<u>1,206,719</u>
Capital and reserves			
Called up share capital	18	1,099	1,099
Revaluation reserve	19	472,818	472,818
Other reserves	19	561,760	561,760
Profit and loss account	19	<u>628,392</u>	<u>171,042</u>
Total shareholders funds		<u>1,664,069</u>	<u>1,206,719</u>

The comparative balance sheet has been restated as described in note 1.

Approved and authorised by the Board on 11 November 2019 and signed on its behalf by:



N Mason
Director

The notes on pages 22 to 39 form an integral part of these financial statements.

Purple Alpha Limited

(Registration number: 07783912)
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	12	999	999
Current assets			
Debtors	13	53	53
Cash at bank and in hand		61	62
		<u>114</u>	<u>115</u>
Creditors: Amounts falling due within one year	14	<u>(1)</u>	<u>(1)</u>
Net current assets		<u>113</u>	<u>114</u>
Net assets		<u>1,112</u>	<u>1,113</u>
Capital and reserves			
Called up share capital	18	1,099	1,099
Profit and loss account		13	14
Total shareholder's funds		<u>1,112</u>	<u>1,113</u>

The Company made a loss after tax for the financial year of £1 (2017 - profit of £1,636,938).

Approved and authorised by the Board on 11 November 2019 and signed on its behalf by:



N Mason
Director

The notes on pages 22 to 39 form an integral part of these financial statements.

Purple Alpha Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2018
Equity attributable to the parent company

	Share capital £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £
At 1 January 2018	1,099	472,818	561,760	171,042	1,206,719
Profit for the year	-	-	-	457,350	457,350
Total comprehensive income	-	-	-	457,350	457,350
At 31 December 2018	1,099	472,818	561,760	628,392	1,664,069
	Share capital £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £
At 1 January 2017	1,099	480,000	561,760	1,206,919	2,249,778
Profit for the year	-	-	-	509,783	509,783
Other comprehensive income	-	(7,182)	-	7,182	-
Total comprehensive income	-	(7,182)	-	516,965	509,783
Dividends	-	-	-	(1,552,842)	(1,552,842)
At 31 December 2017	1,099	472,818	561,760	171,042	1,206,719

The notes on pages 22 to 39 form an integral part of these financial statements.

Purple Alpha Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £	Profit and loss account £	Total £
At 1 January 2018	1,099	14	1,113
Loss for the year	-	(1)	(1)
Total comprehensive expense	-	(1)	(1)
At 31 December 2018	1,099	13	1,112

	Share capital £	Profit and loss account £	Total £
At 1 January 2017	1,099	(84,082)	(82,983)
Profit for the year	-	1,636,938	1,636,938
Total comprehensive income	-	1,636,938	1,636,938
Dividends	-	(1,552,842)	(1,552,842)
At 31 December 2017	1,099	14	1,113

The notes on pages 22 to 39 form an integral part of these financial statements.

Purple Alpha Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Profit for the year		457,350	509,783
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	10,564	12,907
Finance income	6	(4,310)	(16,600)
Finance costs	7	120,856	-
Income tax (credit)/expense	10	(60,987)	522,440
		523,473	1,028,530
Working capital adjustments			
Increase in trade debtors	13	(4,207,120)	(7,502,680)
Increase in trade creditors	14	1,459,202	651,335
Increase in deferred income, including government grants	14	820,289	-
Accrued expenses	14	1,711,453	6,063,773
Cash generated from operations		307,297	240,958
Income taxes paid	10	-	(835,017)
Net cash flow from operating activities		307,297	(594,059)
Cash flows from investing activities			
Interest received		4,310	16,600
Proceeds from sale of tangible assets		-	15,652
Net cash flows from investing activities		4,310	32,252
Cash flows from financing activities			
Interest paid	7	(120,856)	-
Proceeds from borrowings		-	(1,350,236)
Proceeds from loans from group undertakings		-	(1)
Dividends paid		-	(1,552,842)
Net cash flows from financing activities		(120,856)	(2,903,079)
Net increase/(decrease) in cash and cash equivalents		190,751	(3,464,886)
Cash and cash equivalents at 1 January		8,955,758	12,420,644
Cash and cash equivalents at 31 December		9,146,509	8,955,758

The notes on pages 22 to 39 form an integral part of these financial statements.

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

Purple Alpha Limited is a private company limited by shares, incorporated and domiciled in England and Wales operating under the Companies Act 2006. The address of the registered office is Waterways House, Merthyr Road, Llanfoist, Abergavenny NP7 9PE. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 1.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Prior year restatement of long term contract provisions

The Directors' have considered the presentation and classification of a provision against doubtful contract balances and concluded that this should be offset against the receivable rather than recorded as a long term creditor. This has been adjusted in the comparative balance sheet with impacts resulting in a decrease in creditors falling due after more than one year of £3,661,426 and a decrease in debtors of £3,661,426. Net current assets have reduced from £1,340,283 to net current liabilities of £2,321,143. There is no change in net assets as at 31 December 2017 or profit after tax for the year ended 31 December 2017 as a result of this reclassification.

Statement of compliance

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

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

The Group has taken advantage of the the disclosure exemption under FRS102 paragraph 1.11 and 1.12 not to prepare a cash flow statement on the basis that the Group is a member of a group where the parent of that group prepares publicly available consolidated financial statements which includes the Group in that consolidation. CRH plc is the ultimate parent company that publishes consolidated financial statements incorporating the results of the Group. Copies of the financial statements of the ultimate parent company are available from the Company Secretary, 42 Fitzwilliam Square, Dublin, D02 R279, Ireland..

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December 2018.

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

On 7 October 2011, a demerger occurred of the Mainunit group. One of the subsidiaries of the Company was previously a subsidiary of the Mainunit group. As a result of the reconstruction, the group financial statements are completed using merger accounting for the members included at the time of the reconstruction, with all subsequent additions to the Group accounted for under acquisition accounting. The Company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income.

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for good supplied and services rendered, stated net of discounts and of Value Added Tax.

Accrued Income, Revenue Recognition and Long Term Contracts

Accrued income is valued at selling price in line with FRS102, based on surveyor's certificates and measured calculations. Accrued income includes retentions made by customers for a period of time after completion of contracts. Long term contract balances are assessed on a contract by contract basis and are reflected in the profit and loss account as the work is certified and invoiced as the contract progresses. Any expected losses on long term contracts are recognised immediately and are written off to the profit and loss account. Where it is considered that the outcome of a long term contract can be assessed with reasonable certainty before its conclusion, the prudently calculated attributable profit is recognised in the profit and loss as the difference between reported turnover and related costs for that contract. On short term contracts, turnover and profits are recognised when the invoices are raised for certified work undertaken.

Interest

Interest income is recognised using the effective interest method.

Rental Income

Rent Income from rentals is recognised in accordance with the terms of the lease.

Jointly Controlled Operations

The group has certain contractual agreements with other participants to engage on joint activities that do not create an entity carrying on trade or business of its own. The group included the share of assets, liabilities, turnover and costs in such jointly controlled operation, measured in accordance with the terms of the arrangement, pro rata to the group's interest in the jointly controlled operation.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Tangible assets

Tangible assets are stated in the statement of financial position at cost or valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss. Land and buildings were valued using a professional valuation, when not available a directors valuation would be used, based on their knowledge of current market conditions of similar properties in the area.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	30% reducing balance
Freehold property	2% per annum less residual value

Investments

Investments are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Financial Instruments

The Company's classes of financial assets are cash and other financial assets, and these are classified as 'loans and receivables'.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet 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 of the investment have been affected.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

The Company has financial liabilities that are classified as 'other financial liabilities', and these relate to borrowings from fellow subsidiary companies and trade and other payables.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, 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. 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.

The Directors believe that the following accounting policies are critical due to the degree of estimation required and / or the potential material impact they may have on the Company's financial position and performance.

Intercompany receivables

The risk of default has been considered on the intercompany receivables including loans and given the financial position of the counterparty and support from CRH, it is considered minimal and therefore no adjustment has been processed.

Revenue recognition - long term contract accounting

The Company generates revenue from long term contracts. This often requires judgement to be applied in estimating the stage of completion of the contract and measuring the contract profitability at the balance sheet date based on the forecast total contract costs that is expected to be incurred on the contract. Where actual results differ to the estimates made, this could result in a significant impact on the Company's financial results.

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

4 Revenue

The analysis of the Group's turnover for the year from continuing operations is as follows:

	2018 £	2017 £
Provision of services	<u>202,723,050</u>	<u>182,403,106</u>

The analysis of the Group's turnover for the year, all of which is in the United Kingdom, by class of business is as follows:

	2018 £	2017 £
Infrastructure	161,144,508	143,007,491
Rail	<u>41,578,542</u>	<u>39,395,615</u>
	<u>202,723,050</u>	<u>182,403,106</u>

5 Operating profit

Arrived at after charging/(crediting)

	2018 £	2017 £
Other non-audit services	-	572,724
Exceptional items	-	73,667
Management charge to fellow group company	(2,658,333)	-
Management charge from fellow group company	999,998	-
Depreciation of tangible assets	10,564	12,907
Impairment of trade debtors/accrued income	1,850,000	86,599
Taxation advisory services	-	1,200
Rental income	(6,832)	(6,315)
Auditor's remuneration for the audit of the financial statements	67,250	10,000
Audit related assurance services	-	41,350
Other operating leases	<u>123,136</u>	<u>149,250</u>

Auditor's remuneration for non audit services were £nil (2017: £573,924).

6 Other interest receivable and similar income

	2018 £	2017 £
Bank interest receivable	<u>4,310</u>	<u>16,600</u>

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

7 Interest payable and similar expenses

	2018 £	2017 £
Other interest payable	282	-
Interest payable on loan from group undertaking	<u>120,574</u>	<u>-</u>
	<u>120,856</u>	<u>-</u>

Interest is payable on a loan from a fellow group undertaking to one of the Group's subsidiary companies. The interest rate charged on the loan is UK base rate plus 2.0% payable in arrears. Unpaid accrued interest is capitalised and added to the amount outstanding and will bear interest accordingly. The loan is repayable on demand.

8 Staff costs

The aggregate payroll costs (including Directors' remuneration) were as follows:

	2018 £	2017 £
Wages and salaries	29,735,957	26,461,594
Social security costs	3,218,940	2,741,846
Other pension costs	<u>1,010,820</u>	<u>726,251</u>
	<u>33,965,717</u>	<u>29,929,691</u>

The average number of persons employed by the Group (including Directors) during the year, analysed by category was as follows:

Average number of employees

	2018 No.	2017 No.
Production staff	496	468
Administrative staff	<u>267</u>	<u>236</u>
	<u>763</u>	<u>704</u>

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

9 Directors' remuneration

Directors' remuneration for the period relates to the Directors remunerated by the Company. The other Directors of the Company are remunerated by another group company and their services to the Company are considered incidental to their services provided to other group companies.

The Directors' remuneration for the year was as follows:

	2018 £	2017 £
Salaries, fees and bonuses	994,804	19,973
Pension costs	76,550	-
	<u>1,071,354</u>	<u>19,973</u>

In respect of the highest paid director:

Highest paid director

	2018 £	2017 £
Salaries, fees and bonuses	381,323	19,973
Pension costs	17,763	-
	<u>399,086</u>	<u>19,973</u>

10 Taxation

Tax charged in the income statement

	2018 £	2017 £
Current taxation		
UK corporation tax	993	451,473
UK corporation tax adjustment to prior periods	(55,058)	111,312
	<u>(54,065)</u>	<u>562,785</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(8,996)	13,986
Deferred tax adjustments to prior periods	2,074	(54,331)
Total deferred taxation	<u>(6,922)</u>	<u>(40,345)</u>
Tax (receipt)/expense in the income statement	<u>(60,987)</u>	<u>522,440</u>

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

10 Taxation (continued)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2017 - higher than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £	2017 £
Profit before tax	396,363	1,032,223
Corporation tax at standard rate	75,309	196,113
Effect of expense not deductible in determining taxable profit	11,934	269,346
Tax rate changes	1,058	-
Adjustments in respect of prior periods	(52,984)	56,981
Group relief received for no consideration	(96,304)	-
Total tax (credit)/charge	(60,987)	522,440

Group relief within Tarmac is surrendered free of charge. Group relief claimed from other CRH UK Group companies outside of Tarmac is paid for at the prevailing rate of corporation tax for the year of 19.00%.

Finance No.2 Bill 2015 enacted the rate of corporation tax to 19% with effect from 1 April 2017 resulting in a current tax rate for the year of 19.00%. On 15 September 2016, Finance Bill 2016 enacted a further rate reduction to 17% with effect from 1 April 2020.

Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date. The timing of the reversal of the Group's deferred tax items has been considered, and accordingly at 31 December 2018 deferred tax has been calculated at the tax rates that are expected to apply when the related asset is realised or liability is settled.

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

11 Tangible assets

Group

	Freehold Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 January 2018	4,021,429	122,711	4,144,140
At 31 December 2018	4,021,429	122,711	4,144,140
Depreciation			
At 1 January 2018	24,867	104,501	129,368
Charge for the year	5,101	5,463	10,564
At 31 December 2018	29,968	109,964	139,932
Carrying amount			
At 31 December 2018	3,991,461	12,747	4,004,208
At 31 December 2017	3,996,562	18,210	4,014,772

Included within the net book value of land and buildings above is £3,991,461 (2017 - £3,996,562) in respect of freehold land and buildings. The value of land not depreciated is £37,000 (2017: £37,000)

Freehold land and building were valued after the year end by a professionally qualified valuer with sufficient local knowledge of the current market. The valuations were undertaken using the market and income valuation approaches, using the comparable and investment valuation methods to assess recent sales and lettings of similar properties in the surrounding area. The valuations indicated that the value stated in the balance sheet at 31 December 2018 was materially correct.

The historical cost equivalent of land and buildings included at valuation is as follows:

	2018 £	2017 £
Cost	3,421,429	3,421,429
Accumulated depreciation	(670,991)	(603,302)
Net book value at 31 December 2018	2,750,438	2,818,127

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

12 Investments

Group

The Group has no investments.

Company

Subsidiaries

£

Cost

At 1 January 2018 and 31 December 2018

999

Carrying amount

At 31 December 2018

999

At 31 December 2017

999

Details of subsidiary undertakings

Details of the Company's investments in subsidiary companies at 31 December 2018 are as follows:

Undertaking	Registered office	Holding	Proportion of shares held	
			2018	2017
Alun Griffiths (Contractors) Limited	Waterways House, Merthyr Road, Llanfoist, Abergavenny, NP7 9PE	Ordinary shares	100%	100%
AGCL Properties Limited	Waterways House, Merthyr Road, Llanfoist, Abergavenny NP7 9PE	Ordinary shares	100%	100%
AG Rail Limited	Waterways House, Merthyr Road, Llanfoist, Abergavenny, NP7 9PE	Ordinary shares	100%	100%

AG Rail Limited, which was a dormant company, was dissolved on 24 September 2019.

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

13 Debtors

	Group		Company	
	2018	Restated 2017	2018	2017
	£	£	£	£
Trade debtors	6,445,434	8,701,126	-	-
Amounts owed by group companies	8,547,627	-	-	-
Other debtors	679,258	10,856,193	53	53
Accrued income	21,591,337	13,499,216	-	-
	<u>37,263,656</u>	<u>33,056,535</u>	<u>53</u>	<u>53</u>

Amounts owed by fellow group companies have no fixed repayment date and no interest is charged on this balance.

Included in debtors are amounts due from construction contracts of £28,036,771 being trade debtors £6,445,434 and accrued income, including retentions, of £21,591,337. This figure is after a provision of £5,511,426 against doubtful contract balances (2017: £22,200,342 restated being trade debtors £8,701,126 and accrued income, including retentions, £13,499,216. This figure is after a provision of £3,661,426 against doubtful contract balances).

14 Creditors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Due within one year				
Trade creditors	26,912,436	29,058,233	-	-
Amounts owed to group companies	1	1	1	1
Other taxation and social security	7,378,283	3,924,488	-	-
Other creditors	254,563	103,359	-	-
Accruals and deferred income	12,777,085	11,065,632	-	-
Corporation tax	397,337	451,402	-	-
Deferred income	820,289	-	-	-
	<u>48,539,994</u>	<u>44,603,115</u>	<u>1</u>	<u>1</u>

Amounts owed to fellow group companies have no fixed repayment date and no interest is charged on this balance apart from interest payable on a loan from a fellow group undertaking as disclosed in note 6.

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

15 Creditors: Amounts falling due after more than one year

The Directors' have considered the presentation and classification of a provision against doubtful contact balances and concluded that this should be offset against the receivable rather than recorded as a creditor. This has been adjusted in the comparative balance sheet with impacts resulting in a decrease in creditors falling due after more than one year of £3,661,426 and a decrease in accrued income of £3,661,426.

16 Deferred tax and other provisions

Group

	Accelerated capital allowances £
At 1 January 2018	217,231
Recognised in income	(6,921)
At 31 December 2018	<u>210,310</u>

17 Retirement benefit schemes

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the schemes are held separately from those of the Group in funds under the control of trustees. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £1,010,820 (2017 - £726,251). At 31 December 2018 contributions of £124,250 due in respect of the current reporting period had not been paid over to the schemes (2017: £103,359). This amount is included in other creditors.

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

18 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	209	209	110	110
Ordinary A shares of £1 each	148	148	247	247
Ordinary B shares of £1 each	148	148	247	247
Ordinary C shares of £1 each	209	209	110	110
Ordinary D shares of £1 each	385	385	385	385
	<u>1,099</u>	<u>1,099</u>	<u>1,099</u>	<u>1,099</u>

The ordinary shares and the A, B, C and D ordinary shares rank pari-passu in all respects and constitute a single class of shares.

19 Reserves

Called up share capital represents the nominal value of shares that have been issued.

Revaluation reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Other reserves records the difference arising between the carrying value and the nominal value of the investments acquired as part of the Mainunit Limited group demerger.

Profit and loss account includes all current and prior period retained profits and losses.

Details of all movements in reserves are shown in the Statement of Changes in Equity on page 17 (Group) and page 18 (Company).

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

20 Operating lease commitments

Group

Operating leases

The total of future minimum lease payments is as follows:

	2018	2017
	£	£
Not later than one year	116,589	116,589
Later than one year and not later than five years	114,312	114,312
Later than five years	-	159,224
	<u>230,901</u>	<u>390,125</u>

21 Commitments

Group

Capital commitments

The total amount contracted for but not provided in the financial statements was £62,450 (2017: £nil).

Purple Alpha Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

22 Contingent liabilities

Group

The Group has contingent liabilities in respect of performance bonds entered into under the normal course of business. At 31 December 2018 the value of these was £3,039,646 (2017: £nil). The likelihood of these having a material adverse impact on the Group's financial position is considered remote. The Company has no contingent liabilities (2017: £nil).

23 Related party transactions

Under Financial Reporting Standard 102, the Group and Company is exempt from the requirement to disclose transactions with other group undertakings on the grounds that it is a wholly owned group and subsidiary of CRH plc and its results are included in the consolidated financial statements of CRH plc.

Related party transactions prior to the acquisition of the Company by Tarmac Trading Limited can be found in 2017 financial statements.

24 Controlling Party

At the balance sheet date, the immediate parent company was Tarmac Trading Limited. The ultimate parent company and ultimate controlling entity was CRH plc, a company incorporated and registered in Ireland. CRH plc publishes consolidated financial statements incorporating the results of this Company. Copies of the financial statements of the ultimate parent company are available from the Company Secretary, 42 Fitzwilliam Square, Dublin, D02 R279, Ireland.