

Robertson Construction Group Limited

Annual report and financial statements

Registered number SC347921

Period ended 30 June 2020

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Company information

Directors	W G Robertson E C Robertson I Wilson B McQuade
Secretary	R I Campbell
Registered office	10 Perimeter Road Pinefield Industrial Estate Elgin Moray IV30 6AE
Auditor	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD
Bankers	Santander UK plc 1 st Floor 287-301 St Vincent Street Glasgow G2 5HN
Solicitors	Shepherd and Wedderburn Commercial House 2 Rubislaw Terrace Aberdeen AB10 1XE

Strategic report

Principal activities

Robertson Construction Group Limited (“the Group”) provides construction and property development services to clients throughout Scotland and the North of England. Its aim is to identify opportunities early in their development to enable it to work in partnership with - and deliver best value for - its clients and wherever possible, establish long term relationships with them.

Business highlights

This has been a financial period like no other. The Group has continued to produce strong and steady results, but like so many companies was significantly impacted by COVID-19. The effects of COVID-19 hit us in the middle of March when the UK went into lockdown. Our sites in England continued to operate, whilst adapting to health and safety measures necessary to ensure the safety of our workforce and sub-contractor base. However, in Scotland, the majority of our sites closed until the middle of June.

Despite the challenges arising from the pandemic the Group performed well, within an ever-changing market place and adapting our strategy to meet these challenges. Our longer-term strategy continues to have a positive effect on the business, and we have a solid capital base. In relation to our core activities, we have seen a significant improvement in performance during the period but the completion of The Event Complex Aberdeen (TECA) during the period, compared to a full year of revenue from that contract in 2019, saw turnover reduce by 16%. However, we remained profitable in the period, delivering Profit before Tax (PBT) of £14.4m, despite incurring charges of £7.9m in relation to COVID-19 in the 15 months to 30 June. We were thankful for the government’s Coronavirus Job Retention Scheme which we utilised during this period in order to manage employment costs and preserve employment.

Total net cash held at the period-end was £87.3m (2019: £117.4m). Robust cash management processes continue across the Group and this allows the Group to have certainty over funds available for future growth and investments.

The Group’s ongoing success is due to our clearly defined and robust regional business model and a continued focus on project selection and the local supply chain. The regional model plus the major project resource addresses the volume pressures within the overall Group, which is enhanced by the numerous frameworks that we operate on. Expansion of our Clear Sustainable Futures framework provides the opportunity to focus on decarbonisation and regeneration and helps strengthen our relationships within the public sector. Our Civils division continues to strengthen, delivering projects for its sister companies as well as external clients.

We completed the construction of TECA, with our client, Henry Boot Developments, and post period end have now handed over an £87m project to Boeing to provide new hangar facilities at RAF Lossiemouth housing the new MoD fleet of Poseidon aircraft, as well as a new £53m community campus in Inverurie. The success of undertaking such projects and our experience of delivering large scale infrastructure has helped strengthen our brand and allows us to capitalise on future opportunities.

The Group's strategy has been developed on the following three main areas of focus:

1) Business development

The Group continues to develop and strengthen its business development function focusing on using the knowledge of the market to target specific market sectors and key clients within those sectors. Through this process we also identify opportunities where there is scope to use our broad range of products and services. We can provide innovative delivery solutions, therefore, improving value for money delivery for clients and enhancing sustainable returns for the Group. The function also actively looks to identify opportunities to expand our product and service offering where this leads to delivery of higher margin returns.

2) Finance

The Group strategy includes having appropriate banking and bonding facilities to meet both short term working capital requirements as well as longer term investment projects. Our financial strategy is to “create value” for shareholders and to support the long term sustainability of the Group. We are continually working with our financial stakeholders to ensure we have the optimal capital base to facilitate our growth aspirations. Our strategy is to grow predictable and sustainable income streams and have net asset growth underpinned by attractive and long term assets.

Strategic report (continued)

3) Operational performance

The strategy of the Group must include a key focus on operational performance where we aim to deliver high quality outcomes for all our customers. We continually look at our efficiency and challenge our cost base to deliver the desired commercial return. We are fortunate to have developed a significant internal and external supply chain and through innovation can identify and implement new ways of completing processes and projects to maintain a competitive edge.

Reflecting on poor outcomes of some of the major players in our sector in the last two years, our on-going assessment of risk requires us to continually assess both costs and risks thoroughly at bid stage and to diligently control and follow that assessment through to the end of the project, whilst having a sensible, measured view on volume growth.

4) People

The most valuable asset of the Group is the quality of our staff and it is our strategic aim to create a high performance culture; educating, training and developing our people to be the best. We strive to provide the correct remuneration packages to attract, motivate and retain employees and lastly build a resource pipeline to ensure we have the “right people” with the “right skills” at the “right time”.

The above strategic focus must always be underpinned by our key strategic principles which are innovation, community, productivity and sustainability.

Principal risks and uncertainties affecting the business

The principal risks and uncertainties affecting the Group are varied and include the following:

- Funding risk. Whilst the Group has seen positive cashflows in recent years and has a healthy cash balance, we have access to the banking facilities of the wider Robertson Group. In negotiating these banking facilities, forecasts for the next three years were reviewed. These were based on base case expectations and taking account of reasonable sensitivities in the key assumptions, and the provision of appropriate levels of security to gain the optimal funding solution of the Robertson Group. Based on these forecasts the directors have an expectation that the facilities available will be sufficient for the Group for the foreseeable future.
- Macro-economic factors affecting the whole of the construction industry and the wider economy.
- Credit risk: The Group is exposed to the credit risk that some of its customers may be unable to pay when the debt falls due. This may be due to cash flow problems, difficult trading or financial issues of the customers. Failure to receive all monies due would have an adverse effect on the Group's cash flow and profitability.
- Effect of legislation or other regulatory activities. The Group continually monitors all forthcoming and current legislation and guidelines to ensure it fully complies with all necessary requirements.
- Market and asset values. The Group continues to review the carrying value of its property portfolio based on current rents and yields and records an impairment in value where appropriate.
- Construction risk. The Group places considerable emphasis on front end controls and ongoing project diligence in an attempt to minimise construction risk.
- COVID-19: The risks above have been exacerbated by the COVID-19 pandemic with all operations experiencing a period of shut-down and remobilisation. Business and scenario planning have been exhaustive to ensure we fully understand the operational and financial implications. We recognise that we must remain focussed and be able to adapt to any changes in the environment, working practices and Government guidance.
- Brexit: as all the company's operations are conducted within the UK with no significant EU imports, Brexit is not considered to be a significant risk to the business.

Strategic report (continued)

Key performance indicators

Key financial performance indicators include the monitoring of turnover, profit before tax and cashflow.

Key financial performance indicators

		15 month period ended 30 June 2020	Year ended 31 March 2019	Measure
Profit before tax	£000	14,354	32,205	
Gross Margin	%	5.2	7.1	Gross profit/turnover
Overhead recovery	%	3.2	2.0	Admin expenditure/turnover
Cashflow (decrease) / increase	£000	(30,141)	11,123	Net funds movement, after dividends paid
Number of employees (average)	Number	913	933	Average number

Key non-financial performance indicators include the monitoring of health and safety and quality throughout the Group.

Employees

During the period the policy of providing employees with general information continued. Relevant information is supplied at the discretion of management, when considered appropriate.

The Group gives every consideration to applications for employment from disabled persons where the requirements of the job may be adequately covered by a handicapped or disabled person.

With regard to existing employees and those who have become disabled during the period, the Group has continued to examine ways and means of providing continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

Equal opportunities are given to all employees for training, career development and promotion. The Group involves employees in matters affecting terms and conditions of employment. Induction courses are run for new employees.

Political and charitable donations

The Group made no political contributions during the period. Donations to UK charities amounted to £9,807 (2019: £9,500).

Future developments

The directors expect the general level of activity to continue to remain steady. The directors aim to maintain the management policies which have resulted in the group's continued trading performance in recent years.

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



I Wilson

Director

LHW May 2021

10 Perimeter Road
Pinefield Industrial Estate
Elgin, IV30 6AE

Directors' report

The directors present their audited financial statements for the period ended 30 June 2020. The accounting reference date has been extended, therefore these financial statements cover the 15 month period ended 30 June 2020. The prior period comparatives cover the 12 months ended 31 March 2019.

The directors have included in the Strategic report matters required by regulations under section 416(4), these include future developments, employees and charitable donations.

Directors

The directors who held office during the period and to the date of this report were as follows:

W G Robertson
S Roberts (resigned 31 December 2019)
D W Shewan (resigned 31 December 2019)
E C Robertson
I Wilson (appointed 1 May 2019)
B McQuade (appointed 10 February 2020)

Directors' indemnities

The Group has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

Principal activities

The Group is a construction and support services business with principal activities in construction, property development and investment, civil engineering, mechanical and electrical engineering. These activities are carried out by a number of principal subsidiaries.

Going concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The Group has conducted a thorough review of workload, overhead and cashflows. Trading since the period end has exceeded expectations with productivity levels edging closer to those seen pre COVID-19.

To deal with COVID-19, we were required to take prompt and decisive action to shut down the majority of our sites and offices for approximately 3 months as well as incur additional expenditure to remobilise and put in place new operating procedures to ensure the health and safety of our staff and supply chain. These factors were included in the business forecasting model to ensure we fully understood the impact on trading, margins and most importantly funding. Various business scenarios were modelled to ensure the range of potential outcomes was assessed and considered. This included variations in lockdown duration, construction productivity and our overhead base over a 5 year period with a particular focus on the next 12 to 18 month period.

In addition, cash flows were also assisted by the Group utilising the Coronavirus Job Retention Scheme during the period of lockdown to recover a proportion of staff costs. During the period April through mid-June, approximately one third of Group staff were on furlough with a gradual return to work through June and July. This provided cash recovery during the period of very limited income.

The Group continues to review the trading and cash flow performance of the Group against forecast. This includes the review of daily and weekly cash flows, project performance against budget in terms of turnover and productivity. If we experience a material change in our work winning and delivery, the Group is in a strong position to deal with any slow down.

The company benefits from the cash pooling arrangement held by Robertson Group with its bank which allows companies within the group to have overdrawn balances which are offset against those with cash balances, within agreed limits. Overall, this arrangement results in a net cash position for Robertson Group and accordingly, there is no net overall debt.

All sites are operational with improving productivity. The latest trading performance is tracking on budget. The Group recognises that the management of cash resources is paramount during such times and the directors have a

Directors' report (continued)

reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis in preparing the annual financial statements.

Dividends

The directors recommended and paid an interim dividend of £13.2m (2019: £19.8m). No final dividend has been recommended.

Disclosure of information to auditor

Each of the persons who is a director at the date of approval of this directors' report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Section 172(1) statement

The directors have acted in accordance with their duties which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the long term success of the Group for the benefit of its members as a whole, having regard to the stakeholders and matters set out on section 172(1) of the Companies Act 2006:

- The long term success of the Group is embedded in decision making at a Board level including regular engagement with the shareholders, who are also directors. The Group conducts monthly Performance Reviews at subsidiary level which are attended by the full senior management teams. All new potential construction and contracts, and development opportunities are subject to a 3 stage gateway process with final approval by the Group directors before an opportunity can be bid for.
- The Group conducts regular meetings which are attended by the full Group board which includes shareholders.
- The drive to maintain high standards of business conduct remains a focus of the directors and is reinforced with the adoption of the "Robertson Way" with its five principles: we listen, we are professional, we take responsibility, we are determined to succeed, and we are one team.
- The most valuable asset of the Group is the quality of our staff and it is our strategic aim to create a high performance culture; educating, training and developing our people. The people strategy is being developed to ensure we continue to identify training requirements across all grades and roles. It is also important to note that the impact of COVID-19 has had a significant impact on staff in terms of working from home and periods of furlough. The support of our staff throughout this period has been exemplary.
- The Group's operations are dependent on fostering strong working relationships across a wide-ranging supply chain. We endeavour to involve the supply chain at an early stage in all development projects as the viability of projects can be dependent on finding the optimum technical solutions. The Group also recognises the benefits of providing visibility of future projects to allow the supply chain to commit resources for the longer term.
- We are committed to ensuring local communities and economies benefit from the Group's presence. This includes opportunities for employment, providing work experience, training and career enhancement across all areas of the business. The local economy also benefits from supply chain being afforded the opportunity to participate in our projects. We work closely with Local Authorities to understand community priorities and requirements to help identify development opportunities.
- The Group aims to protect our environment by operating a robust environmental management system across all residential operations. Our environmental aspects and impacts are assessed on an annual basis and appropriate environmental control measures are implemented, monitored and continually improved to ensure we protect our environment for present and future generations.
- The directors are committed to recognising the needs to maintain a fair balance between the potentially competing interests of the different members of the Group.

The onset of COVID-19 has been the most significant issue the Group has encountered in the financial period. This required prompt and decisive decision making regarding the cessation of operations, management of sub-contractors and suppliers, communication with customers and management of employees with the closure of offices.

Directors' report (continued)

Exemption has been taken from the disclosures required under the Streamlined Energy and Carbon Reporting (SECR) as these have been included on a consolidated basis in the financial statements of Newlands (Elgin) Holdings Limited.

Auditor

During the period Grant Thornton LLP resigned as statutory auditor and were replaced by BDO LLP. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.

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



I Wilson

Director

Ltd May 2021

10 Perimeter Road
Pinefield Industrial Estate
Elgin, IV30 6AE

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial period. 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, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'.)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and Group 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;
- 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 and the parent 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 take reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF ROBERTSON CONSTRUCTION GROUP LIMITED

Opinion

We have audited the financial statements of Robertson Construction Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the 15 month period ended 30 June 2020 which comprise Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Consolidated Statement of Cash Flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice)

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2020 and of the Group's profit for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 Group and the 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 or 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 Group Strategic report, Directors' 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and Directors' report for the financial period 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 the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 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.

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 auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Rae (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Edinburgh, UK

Date: 6 May 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income
for the period ended 30 June 2020

		15 month period ended 30 June 2020 £000	Year ended 31 March 2019 £000
	Note		
Turnover	3	513,201	609,370
Cost of sales		(486,459)	(565,907)
Gross profit		26,742	43,463
Administrative expenses		(16,505)	(12,668)
Other income	4	2,489	-
Total operating profit	4	12,726	30,795
Interest receivable and similar income	5	1,834	1,638
Interest payable and similar charges	5	(206)	(228)
Profit before taxation		14,354	32,205
Tax on profit	7	(3,058)	(6,158)
Profit for the financial period		11,296	26,047
Total comprehensive income for the period		11,296	26,047

All operations are continuing.

There was no other comprehensive income for the period ended 30 June 2020 (2019: £Nil)

The notes on pages 17 to 33 form part of these financial statements.

Consolidated statement of financial position
at 30 June 2020

		30 June 2020		31 March 2019 (restated)	
	Note	£000	£000	£000	£000
Fixed assets					
Tangible assets	9		7,188		6,957
Investment properties	10		2,114		2,094
			<u>9,302</u>		<u>9,051</u>
Current assets					
Stocks	12	1,940		1,570	
Debtors due within one year	13	55,957		80,848	
Debtors due after one year	13	6,662		19,454	
Cash at bank and in hand		95,003		125,597	
		<u>159,562</u>		<u>227,469</u>	
Creditors: amounts falling due within one year	14	<u>(108,714)</u>		<u>(180,141)</u>	
Net current assets			<u>50,848</u>		<u>47,328</u>
Total assets less current liabilities			<u>60,150</u>		<u>56,379</u>
Creditors: amounts falling due after more than one year	14		<u>(13,400)</u>		<u>(7,700)</u>
Net assets			<u><u>46,750</u></u>		<u><u>48,679</u></u>
Capital and reserves					
Called up share capital	17		1		1
Merger reserve	17		9,679		9,679
Revaluation reserve	17		49		49
Profit and loss account	17		37,021		38,950
			<u><u>46,750</u></u>		<u><u>48,679</u></u>

The notes on pages 17 to 33 form part of these financial statements.

These financial statements of Robertson Construction Group Limited were approved by the board of directors and authorised for issue on 4th May 2021. They were signed on its behalf by:



I Wilson
Director

Company statement of financial position
at 30 June 2020

		30 June 2020		31 March 2019 (restated)	
	Note	£000	£000	£000	£000
Fixed assets					
Tangible assets	9		952		273
			<u>952</u>		<u>273</u>
Current assets					
Debtors due within one year	13	50,674		70,344	
Debtors due after one year	13	3,246		10,390	
Cash		-		25,595	
		<u>53,920</u>		<u>106,329</u>	
Creditors: amounts falling due within one year	14	<u>(37,408)</u>		<u>(90,260)</u>	
Net current assets			<u>16,512</u>		<u>16,069</u>
Total assets less current liabilities			<u>17,464</u>		<u>16,342</u>
Creditors: amounts falling due after more than one year	14		<u>(3,380)</u>		<u>(4,393)</u>
Net assets			<u><u>14,084</u></u>		<u><u>11,949</u></u>
Capital and reserves					
Called up share capital	17		1		1
Profit and loss account	17		<u>14,083</u>		<u>11,948</u>
Shareholder's funds			<u><u>14,084</u></u>		<u><u>11,949</u></u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent company for the period was £15,360,000 (2019: £18,621,000).

The notes on pages 17 to 33 form part of these financial statements.

These financial statements of Robertson Construction Group Limited were approved by the board of directors and authorised for issue on 4th May 2021. They were signed on its behalf by:



I Wilson
Director

Consolidated statement of changes in equity

For the period ended 30 June 2020

	Called-up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total
	£000	£000	£000	£000	£000
At 1 April 2018	1	49	9,679	32,676	42,405
Profit for the financial year	-	-	-	26,047	26,047
Dividend paid (note 8)	-	-	-	(19,773)	(19,773)
At 31 March 2019	1	49	9,679	38,950	48,679
At 1 April 2019	1	49	9,679	38,950	48,679
Profit for the financial period	-	-	-	11,296	11,296
Dividend paid (note 8)	-	-	-	(13,225)	(13,225)
At 30 June 2020	1	49	9,679	37,021	46,750

The notes on pages 17 to 33 form part of these financial statements.

Company statement of changes in equity
For the period ended 30 June 2020

	Called-up share capital	Profit and loss account	Total
	£000	£000	£000
At 1 April 2018	1	13,100	13,101
Profit for the financial year	-	18,621	18,621
Dividend paid (note 8)	-	(19,773)	(19,773)
At 31 March 2019	1	11,948	11,949
At 1 April 2019	1	11,948	11,949
Profit for the financial period	-	15,360	15,360
Dividend paid (note 8)	-	(13,225)	(13,225)
At 30 June 2020	1	14,083	14,084

The notes on pages 17 to 33 form part of these financial statements.

Consolidated statement of cash flows
for the period ended 30 June 2020

	Period ended 30 June 2020 £000	Year ended 31 March 2019 £000
Cash flows from operating activities		
Profit for the financial year	11,296	26,047
Depreciation of tangible assets	1,341	583
Net interest receivable	(1,628)	(1,410)
Taxation expense	3,058	6,158
Increase in stocks	(370)	(92)
Decrease in trade and other debtors	37,433	14,167
Decrease in creditors	(61,681)	(10,656)
Cash from operations	(10,551)	34,797
Interest paid	(206)	(228)
Taxation paid	(6,401)	(4,925)
Net cash (used by) / generated from operating activities	(17,158)	29,644
Cash flow from investing activities		
Interest received	1,834	1,638
Purchase of tangible fixed assets	(1,572)	(332)
Purchase of investment property	(20)	(54)
Net cash flow from investing activities	242	1,252
Cash flow from financing activities		
Dividends paid	(13,225)	(19,773)
Net cash flow used in financing activities	(13,225)	(19,773)
Net (decrease)/increase in cash at bank and in hand	(30,141)	11,123
Cash and cash equivalents at 31 March 2019	117,421	106,298
Cash and cash equivalents at 30 June 2020	87,280	117,421
Cash and cash equivalents consist of:		
Cash at bank and in hand	95,003	125,597
Debt due within one year	(7,723)	(8,176)
Cash and cash equivalents	87,280	117,421

The notes on pages 17 to 33 form part of these financial statements and accounting policies.

Notes

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and to the preceding period.

General information and basis of preparation

Robertson Construction Group Limited is a private company limited by shares incorporated in Scotland, United Kingdom, under the Companies Act. The address of the registered office, which is based in Scotland, is given on page 1. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 2 to 4.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The Company meets the definition of a qualifying entity under FRS 102 and has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29.
- the requirements of Section 33 Key Management Personnel Compensation paragraph 33.7.

The Company intends to present its next set of financial statements with the same disclosure exemptions adopted.

Robertson Construction Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to presentation of a cash flow statement.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The functional currency of Robertson Construction Group Limited is considered to be pounds sterling, rounded to the nearest thousand, because that is the currency of the primary economic environment in which the company operates. The consolidated financial statements are also presented in pounds sterling, rounded to the nearest thousand.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 30 June 2020. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal.

An associate is an undertaking in which the Group has a long term interest, usually from 20% to 50% of the equity voting rights, and over which it exercises significant influence. A joint venture is an undertaking in which the Group has a long-term interest and over which it exercises joint control. The Group's share of the profits less losses of associates and of joint ventures is included in the consolidated statement of comprehensive income and its interest in their net assets, is included in investments in the consolidated statement of financial position.

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own statement of comprehensive income.

Notes (continued)

Going concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

The Group has conducted a thorough review of workload, overhead and cashflows. Trading since the period end has exceeded expectations with productivity levels edging closer to those seen pre COVID-19.

To deal with COVID-19, we were required to take prompt and decisive action to shut down the majority of our sites and offices for approximately 3 months as well as incur additional expenditure to remobilise and put in place new operating procedures to ensure the health and safety of our staff and supply chain. These factors were included in the business forecasting model to ensure we fully understood the impact on trading, margins and most importantly funding. Various business scenarios were modelled to ensure the range of potential outcomes was assessed and considered. This included variations in lockdown duration, construction productivity and our overhead base over a 5 year period with a particular focus on the next 12 to 18 month period.

In addition, cash flows were also assisted by the Group utilising the Coronavirus Job Retention Scheme during the period of lockdown to recover a proportion of staff costs. During the period April through mid-June, approximately one third of Group staff were on furlough with a gradual return to work through June and July. This provided cash recovery during the period of very limited income.

The Group continues to review the trading and cash flow performance of the Group against forecast. This includes the review of daily and weekly cash flows, project performance against budget in terms of turnover and productivity. If we experience a material change in our work winning and delivery, the Group is in a strong position to deal with any slow down.

The company benefits from the cash pooling arrangement held by Robertson Group with its bank which allows companies within the group to have overdrawn balances which are offset against those with cash balances, within agreed limits. Overall, this arrangement results in a net cash position for Robertson Group and accordingly, there is no net overall debt.

All sites are operational with improving productivity. The latest trading performance is tracking on budget. The Group recognises that the management of cash resources is paramount during such times and the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis in preparing the annual financial statements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	-	50 years
Plant and machinery	-	3 to 10 years
Fixtures, fittings and equipment	-	4 to 5 years
Motor vehicles	-	5 to 10 years

No depreciation is provided on freehold land.

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

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any changes recognised in the statement of comprehensive income.

Development expenditure

Pre-contract costs are expensed as incurred until the Group is appointed as sole preferred bidder. Provided the contract is expected to generate sufficient net cash inflows to enable recovery and the award of contract is virtually certain, pre-contract costs incurred subsequent to appointment as preferred bidder are included in debtors.

Notes *(continued)*

Where pre-contract bid costs that have been recognised as an asset are reimbursed at financial close both the income and the asset are released to the statement of comprehensive income.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. In determining the cost of raw materials and consumables the first in first out method is used. For work in progress and finished goods cost is taken as production cost which comprises materials, direct labour and attributable production overheads according to the stage of completion.

Property developments in the course of construction are carried at cost as part of work in progress until such time as the property is complete. Interest incurred on project specific borrowings is capitalised within the cost of the appropriate project.

Development land stock is stated at the lower of cost and net realisable value. Cost comprises the purchase price of the land together with all attributable expenditure incurred in making ready the site for development and ultimate resale.

Leases

Assets held under hire purchase contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset and depreciated over the shorter of the lease term and their useful lives. The capital elements of future lease obligations are recorded as liabilities, whilst the interest elements are charged to the Statement of comprehensive income over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental under operating lease rentals are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only 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 tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

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

Notes (continued)

Creditors

Short term creditors are measured at the transaction price.

Contingent liabilities

Contingent liabilities, arising as a result of past events, are not recognised when it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Pensions

The Group contributes to company personal pension plans for employees who also undertake to contribute, the costs of which are charged to the statement of comprehensive income as they become payable. The amount charged to the statement of comprehensive income represents the contributions payable to the scheme in respect of the accounting period. Differences between contributions payable in the period and contributions actually paid are shown as accruals in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

Prior year restatement

As explained in Note 14, the prior year Trade creditors have been restated to reflect those amounts falling due after more than 12 months, previously reported as due within one year. There was no impact on retained earnings.

Notes (continued)

Revenue recognition and long term contracts

Turnover represents amounts receivable for the sale of goods and services, rental income and work done in the case of long term contracts.

Turnover is stated net of VAT and is recognised to the extent that economic benefits will flow to the group and the turnover can be reliably measured. Turnover from the supply of services represents the value of services provided under contract. Where payments are received from customers in advance, the amounts are recorded as deferred income and included as part of creditors due within one year.

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 statement of financial position date. This is normally measured by the value of services provided under contract to date, except where this would not be representative of completion. Variations in contract works, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

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 they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

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

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the value of services provided under contract, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account. Payments received on account represent amounts received in excess of turnover recognised.

Rental income is recognised as it is earned.

Government grants

Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure.

2 Significant judgements and estimates

In the application of the Group's accounting policies, as described in Note 1, the directors and management are required to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the period end date, and the amounts reported for revenues and expenses during the period.

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, and in future periods should it affect future periods.

The ordinary judgements and estimates are those as detailed in Note 1.

Management consider that the following have the most significant effect on the amounts recognised in the financial statements.

- Financial outcome of individual construction contracts – all long term contracts are reviewed on a monthly basis, with particular attention to contract stage of completion, costs to date and costs still to be incurred. Movement in margin is recognised when prudent to do so but immediately in the event there is a foreseeable loss.
- For contracts that contain an on-time completion bonus payment, revenue is not recognised until all conditions of completion are met and therefore revenue has been earned.
- Valuation of investment properties – as referred to in Note 10 property values are reviewed annually and are subject to fair value assessments by appropriately qualified employees.

Notes (continued)

3 Turnover

The total turnover of the Group for the period has been derived from the Group's principal activities wholly undertaken in the UK. No segmental analysis of turnover is provided as in the opinion of the directors this information is commercially sensitive.

4 Operating profit

	15 month period ended 30 June 2020 £000	Year ended 31 March 2019 £000
<i>Operating profit is stated after charging / (crediting):</i>		
Depreciation of tangible assets	1,341	583
Operating lease rentals	1,269	1,043
Government Job Retention Scheme grants – revenue in nature	(2,489)	-
<i>Auditor's remuneration:</i>		
Audit of these financial statements	8	28
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	97	61
Other services relating to taxation & other services	12	12

The audit fee and non-audit fees were borne by its parent company, Robertson Group Limited, in the period ended 30 June 2020.

None of the directors received any emoluments from the company or Group. Key management personnel are considered to be the directors of the immediate parent company, Robertson Group Limited. Details of their remuneration are given in Note 6.

5 Interest payable and receivable

	15 month period ended 30 June 2020 £000	Year ended 31 March 2019 £000
<i>Interest receivable and similar income:</i>		
Interest receivable from related parties	1,834	1,638
<i>Interest payable and similar charges:</i>		
Interest payable on bank loans and overdrafts	206	225
Interest payable on finance leases	-	3
	206	228

Notes (continued)

6 Staff numbers and costs

The average number of persons employed (including directors) during the period, analysed by category, was as follows:

	Company		Group	
	15 month period ended 30 June 2020 Number	Year ended 31 March 2019 Number	15 month period ended 30 June 2020 Number	Year ended 31 March 2019 Number
Construction	224	242	816	830
Property development	-	-	4	4
Administration	43	47	93	99
	267	289	913	933

The aggregate payroll costs to these persons were as follows:

	15 month period ended 30 June 2020 £000	Year ended 31 March 2019 £000	15 month period ended 30 June 2020 £000	Year ended 31 March 2019 £000
Wages and salaries	17,428	15,467	60,139	47,345
Social security costs	1,836	1,692	6,406	5,193
Other pension costs	724	972	2,366	3,004
	19,988	18,131	68,911	55,542

Notes (continued)

6 Staff numbers and cost (continued)

Key management personnel are considered to be the Board of Directors of the immediate parent company, Robertson Group Limited. It is not practicable to allocate their total remuneration for services received by each subsidiary company. Accordingly, their total compensation details are given below.

	15 month period ended 30 June 2020 £000	Year ended 31 March 2019 £000
Directors' emoluments	4,566	3,690
Company contributions to money purchase schemes	143	55
	<u>4,709</u>	<u>3,745</u>

Retirement benefits are accruing to 4 directors (2019:2) under money purchase pension schemes. The total emoluments of the highest paid director were £1,474,693 (2019: £1,572,000). Pension contributions made on their behalf were £nil (2019: £10,000)

7 Tax on profit

	15 month period ended 30 June 2020 £000	Year ended 31 March 2019 £000
Analysis of charge in the period		
<i>UK corporation tax</i>		
Current tax on income for the period	221	6,239
Adjustment in respect of prior periods	26	(6)
	<u>247</u>	<u>6,233</u>
<i>Group Relief</i>		
Current tax on income for the period	2,589	(53)
	<u>2,589</u>	<u>(53)</u>
Total current tax charge	2,836	6,180
<i>Deferred tax (see note 16)</i>		
Origination/reversal of timing differences	222	(22)
	<u>3,058</u>	<u>6,158</u>
Total tax on profit	3,058	6,158

Notes (continued)

7 Tax on profit (continued)

Factors affecting the tax charge for the current year

The current tax charge for the period is higher (2019: higher) than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below.

	15 month period ended 30 June 2020 £000	Year ended 31 March 2019 £000
<i>Current tax reconciliation</i>		
Profit before tax	14,354	32,205
Current tax at 19% (2019: 19%)	2,727	6,119
<i>Effects of:</i>		
Non-deductible expenses	71	25
Fixed asset timing differences	21	20
Deferred tax change in rates	6	1
Deferred tax not recognised	191	-
Effect of R&D tax reliefs - prior years	(44)	-
Adjustment to tax charge in respect of prior years – current tax	26	(7)
Adjustment to tax charge in respect of prior years – deferred tax	60	-
Group relief claimed	(2,589)	(4,486)
Payment for group relief	2,589	4,486
Total tax charge (see above)	3,058	6,158

Factors affecting the future tax charges

In the March 2021 UK Budget, an announcement was made to increase the main rate of UK corporation tax to 25% from 1 April 2023. This will impact on the measurement of the company's deferred tax liabilities/(assets) in the future. However, the substantively enacted rate at 30 June 2020 was 19% and therefore the tax liabilities/(assets) of the company have been measured at this rate in the current period.

8 Dividends on equity shares

	15 month period ended 30 June 2020 £000	Year ended 31 March 2019 £000
Interim dividend paid	13,225	19,773

Notes (continued)

9 Tangible fixed assets

Group	Freehold land and buildings £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
Cost					
At beginning of period	8,030	3,044	615	689	12,378
Additions	84	284	1,204	-	1,572
Disposals	-	(931)	-	(373)	(1,304)
Transfers	(66)	(504)	570	-	-
At end of period	8,048	1,893	2,389	316	12,646
Depreciation					
At beginning of period	2,150	2,187	462	622	5,421
Charge for the period	383	447	472	39	1,341
Disposals	-	(931)	-	(373)	(1,304)
Transfers	(42)	(359)	401	-	-
At end of period	2,491	1,344	1,335	288	5,458
Net book value					
At 30 June 2020	5,557	549	1,054	28	7,188
At 31 March 2019	5,880	857	153	67	6,957

Following a review of Tangible fixed assets during the year, a number of assets were recategorised amongst the existing headings. There were no changes to the overall Cost or Accumulated depreciation.

Company	Motor vehicles £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
Cost				
At beginning of period	18	196	570	784
Additions	-	-	1,168	1,168
At end of period	18	196	1,738	1,952
Depreciation				
At beginning of period	12	98	401	511
Charge for the period	6	47	436	489
At end of period	18	145	837	1,000
Net book value				
At 30 June 2020	-	51	901	952
At 31 March 2019	6	98	169	273

Notes (continued)

10 Investment properties

	Group £000
<i>Cost or valuation</i>	
At beginning of period	2,094
Additions	20
At end of period	2,114

Investment properties, which are all freehold, were revalued to fair value at 31 March 2017 based on a valuation undertaken by Ryden LLP (members of The Royal Institute of Chartered Surveyors), an independent valuer with experience in the location and class of the investment property being valued, on the basis of open market value based on the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. The directors consider the values to be appropriate at 30 June 2020.

If investment properties had been accounted for under the historic accounting rules, the properties would have been measured as follows:-

	30 June 2020 £000	31 March 2019 £000
Historic cost	2,272	2,252
Accumulated depreciation and impairments	(1,051)	(1,003)
	1,221	1,249

The company had no investment properties.

11 Fixed asset investments

The principal undertakings in which the Group holds more than 20% of the share capital are as follows:

	Country of registration or incorporation	Class	Shares held %	Principal activity
Subsidiary undertakings				
Robertson Construction Central Limited (A)	Scotland	Ordinary	100	Construction
Robertson Construction Eastern Limited (A)	Scotland	Ordinary	100	Construction
Robertson CE Limited (A)	Scotland	Ordinary	100	Construction
Robertson Construction Northern Limited (A)	Scotland	Ordinary	100	Construction
Robertson Construction Tayside Limited (A)	Scotland	Ordinary	100	Construction
Robertson Construction Highland Limited (A)	Scotland	Ordinary	100	Construction
Robertson Construction Central Scotland Limited (A)	Scotland	Ordinary	100	Construction
Robertson Property Limited (A)	Scotland	A and B Ordinary	100	Property development
Robertson-Dawn Health Limited (B)	Scotland	Ordinary	100	Construction

A - 10 Perimeter Road, Pinfield Industrial Estate, Elgin, Scotland, IV30 6AE

B - Robertson House, Castle Business Park, Stirling, Stirlingshire, FK9 4TZ

Notes (continued)

12 Stocks

	30 June 2020 £000	Group 31 March 2019 £000
Development land	1,940	1,570

The company had no stocks.

13 Debtors

	Company		Group	
	30 June 2020 £000	31 March 2019 £000	30 June 2020 £000	31 March 2019 £000
<i>Amounts falling due within one year:</i>				
Trade debtors	4,794	21,842	23,810	59,302
Amounts recoverable on contracts	8,377	972	23,241	4,678
Amounts owed by Group undertakings	32,932	36,836	1,271	3,142
Amounts owed by related parties	3,068	10,032	4,484	10,777
Other debtors	33	94	378	457
Prepayments and accrued income	340	164	705	811
Other tax and social security	787	-	1,138	502
Group relief receivable from related parties	-	-	143	-
Corporation Tax	343	404	787	1,179
	<u>50,674</u>	<u>70,344</u>	<u>55,957</u>	<u>80,848</u>
<i>Amounts falling due after more than one year:</i>				
Amounts recoverable on contracts	3,246	10,390	6,662	19,454
	<u>3,246</u>	<u>10,390</u>	<u>6,662</u>	<u>19,454</u>

Notes (continued)

14 Creditors: amounts falling due within one year

	Company		Group	
	30 June 2020	31 March 2019 (restated)	30 June 2020	31 March 2019 (restated)
	£000	£000	£000	£000
Bank loans and overdrafts (note 23)	3,732	-	7,723	8,176
Payments received on account	1,856	15,548	18,171	25,474
Trade creditors	5,497	17,107	20,227	38,953
Amounts owed to Group undertakings	11,964	10,853	332	3,528
Corporation tax	-	-	125	584
Other taxes and social security	22	2,233	2,332	10,260
Other creditors	63	586	950	732
Group relief payable to related parties	2,008	3,709	3,556	6,911
Amounts due to related parties	553	549	634	581
Deferred tax (note 16)	107	4	251	29
Accruals and deferred income	11,606	39,671	54,413	84,913
	<u>37,408</u>	<u>90,260</u>	<u>108,714</u>	<u>180,141</u>

Amounts falling due after one year

	Company		Group	
	30 June 2020	31 March 2019 (restated)	30 June 2020	31 March 2019 (restated)
	£000	£000	£000	£000
Trade creditors	3,380	4,393	7,107	7,700
Subordinated debt	-	-	25	-
Amounts due to Group undertakings	-	-	6,268	-
	<u>3,380</u>	<u>4,393</u>	<u>13,400</u>	<u>7,700</u>

Company

The prior year Trade creditors have been restated to reflect those amounts falling due after more than 12 months. As a consequence, Creditors: amounts falling due within one year have decreased by £4,393,000, with a corresponding increase in Creditors: amounts falling due after more than one year. There was no impact on retained earnings.

Group

The prior year Trade creditors have been restated to reflect those amounts falling due after more than 12 months. As a consequence, Creditors: amounts falling due within one year have decreased by £7,700,000, with a corresponding increase in Creditors: amounts falling due after more than one year. There was no impact on retained earnings.

Notes (continued)

15 Financial instruments

	Company		Group	
	30 June 2020	31 March 2019	30 June 2020	31 March 2019
	£000	£000	£000	£000
Financial assets measured at amortised cost	52,450	80,166	154,849	223,407
Financial liabilities measured at amortised cost	38,651	88,707	115,850	170,057

Financial assets measured at amortised cost comprise debtors due within one year and cash balances.

Financial liabilities measured at amortised cost comprise creditor balances due within one and after one year, and bank loans and overdrafts.

16 Deferred tax

Deferred taxation liability	Accelerated capital allowances	Other timing differences	Total
	£000	£000	£000
Company			
At beginning of period	4	-	4
Charge to the Statement of comprehensive income for the period	54	48	103
At end of period	58	48	107
Group	£000	£000	£000
At beginning of period	87	(58)	29
Charge to the Statement of comprehensive income for the period	56	166	222
At end of period	143	108	251

Notes (continued)

17 Called up share capital

	30 June 2020 £000	31 March 2019 £000
Group and company		
<i>Authorised</i>		
10,000 (2019: 10,000) Ordinary shares of £1 each	10	10
<i>Allotted, called up and fully paid</i>		
1,024 (2019: 1,024) Ordinary shares of £1 each	1	1

The company has one class of ordinary share which carries no right to fixed income.

The profit and loss account represents cumulative profits and losses, net of dividends and other adjustments, merger reserve and revaluation reserve.

The revaluation reserve represents the cumulative effect of revaluations of freehold land and buildings which are revalued to fair value at each reporting date.

The merger reserve represents the sum of retained profit of subsidiaries transferred from Robertson Group Limited to Robertson Construction Group Limited in 2010 following a Group restructure.

18 Contingencies, contractual disputes and guarantees

At the period end there were contingent liabilities in respect of guarantees and claims under contracts entered into in the normal course of business. Further, included within trade debtors and amounts recoverable on long term contracts are certain amounts which are the subject of on-going negotiations and disputes with customers. The directors are of the opinion that adequate provision has been made in respect of on-going claims and disputes at the period end.

19 Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Company		Group	
	30 June 2020 £000	31 March 2019 £000	30 June 2020 £000	31 March 2019 £000
Operating leases which expire:				
Within one year	253	257	874	1,019
Between two and five years	389	332	924	962
	642	589	1,798	1,981

Notes (continued)

20 Pension costs

The Group operates a defined contribution pension scheme in respect of all eligible employees. The schemes and their assets are held by independent fund managers.

	30 June 2020 £000	31 March 2019 £000
Contributions payable by the Group for the period	2,366	3,023

There were no outstanding contributions due at the period end (2019: nil).

21 Related party transactions

Related party transactions with 100% owned Group undertakings are excluded from the consolidated financial statements are therefore exempt from disclosure in the financial statements under the provisions of FRS 102.

During the period the Group made sales to associate companies and companies with a common controlling party (as noted below) and at the period end balances were due from these companies as follows:

	Turnover		Period end balances	
	15 month period ended 30 June 2020 £000	Year ended 31 March 2019 £000	30 June 2020 £000	31 March 2019 £000
<i>Related party companies:</i>				
Contracting and project management revenue	20,087	4,362	1,430	446
Contracting revenue procured through a framework agreement	29,905	59,943	2,823	8,991
<i>Common controlling party:</i>				
Contracting and project management revenue	8,926	5,881	230	759
	<u>58,918</u>	<u>70,186</u>	<u>4,483</u>	<u>10,196</u>

Notes (continued)

22 Parent company and ultimate controlling party

The company is a subsidiary undertaking of Robertson Group Limited. The ultimate parent company is Newlands (Elgin) Holdings Limited, incorporated in Scotland and controlled by W G Robertson.

The largest Group in which the results of the company are consolidated is that headed by Newlands (Elgin) Holdings Limited. The consolidated financial statements of that company are available to the public and may be obtained from Newlands (Elgin) Holdings Limited, 10 Perimeter Road, Elgin, IV30 6AE.

The smallest Group in which the results of the company are consolidated is that headed by Robertson Group Limited. The consolidated financial statements of that company are available to the public and may be obtained from Robertson Group Limited, 10 Perimeter Road, Elgin, IV30 6AE.

23 Net debt reconciliation

	1 April 2019 £000	Cash flows £000	30 June 2020 £000
Cash at bank and in hand	125,597	(30,594)	95,003
Bank overdrafts	(8,176)	453	(7,723)
	<u>117,421</u>	<u>(30,141)</u>	<u>87,280</u>