

**Readie Construction Limited**

**Annual Report and Financial Statements**

**Financial Year Ended 31 March 2021**

**Registered number 06069233**



# Readie Construction Limited

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# Readie Construction Limited

## Company Information

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**Directors**

G S Read  
P M Stephens  
J McCarthy  
D I Stephens

**Registered office**

Unit 18 Falcon Business Centre  
Ashton Road  
Romford  
Essex  
RM3 8UR

**Registered number**

06069233

**Independent auditor**

Grant Thornton UK LLP  
30 Finsbury Square  
London  
EC2A 1AG

**Bankers**

National Westminster Bank Plc  
250 Bishopsgate  
London  
EC2M 4AA

# Readie Construction Limited

## Strategic Report For the year ended 31 March 2021

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The directors present the strategic report and financial statements for the year ended 31 March 2021.

### Principal activity

Readie Construction Limited (RCL) is an award-winning main contractor specialising in the delivery of new build, refurbishment and fit out projects, working in the industrial, logistics, retail and related sectors.

### Health and safety

Safety remains our top priority, our commitment to providing a safe working environment for our employees, supply chain, clients and others is paramount. Through a variety of training and development initiatives, there is a focus on raising safety standards every year. The company continues to maintain excellent safety standards. Each of our construction sites is regularly audited by our Health & Safety department with the results of such safety audits generating improvement recommendations for revised business procedures.

### Employee Ownership Trust

On 19 March 2021, ultimate ownership of the business was transferred to an Employee Ownership Trust (EOT), that trust now owning the company for the benefit of all employees. In transferring to this new ownership model Readie Construction Ltd became one of the largest employee-owned construction businesses in the UK. This restructuring has taken place with no external finance, the benefits of this change in ownership include; enhanced employee motivation, retention and recruitment, unchanged successful senior leadership team & strategic direction, improved succession planning, and ability to pay tax-free bonuses to eligible employees.

### Section 172(1) statement

When making decisions, the Board of directors of Readie Construction Limited must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006).

The Company has a clearly defined strategy, and the Board takes into account the long-term consequences of its decisions in the context of this. When making decisions the Board considers a number of factors including:

- The translation of the strategy into both longer-term goals and annual plans with regular updates reviewed by the Board throughout the period; and
- How the Company's objectives influence its employees, customers, suppliers and shareholders together with the Company's wider impact on the environment.

As a Board, our intention is to behave responsibly towards our stakeholders and treat them fairly and equitably, so that they all benefit from the successful delivery of our strategy. The Board of directors has overall responsibility for determining the Company's purpose, values and strategy and for ensuring high standards.

# Readie Construction Limited

## Strategic Report For the year ended 31 March 2021

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The role of the Board is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.

The Board considers relationships with, and the engagement of, our stakeholders to be a critical success factor for our business. The Board members also receive feedback from its customers, suppliers, employees, and shareholders.

### Employees

Readie recognises that our employees are key assets of the business and as such invests in training courses for employees as well as mandatory short courses and long-term professional qualifications and apprenticeships, ensuring that our employees continue to grow and develop to enable the business to deliver its strategic objectives. As at the year ended 31 March 2021, some 26% (2020: 28%) of our workforce were enrolled onto long term professional training programmes.

### Customers

Many of Readie's customers have been in partnership with Readie for several years and part of Readie's success is its ability to maintain positive working relationships with its customers. This has attracted other large clients through our positive reputation and also repeat work. Readie places a high importance on working closely with our customers to help them deliver their projects safely, to the highest quality and on time.

### Shareholders

The board regularly meets to discuss dividend and remuneration policy to ensure that reward is linked to the long-term goals of the shareholders. The senior leadership team also have regular meetings with the Board in order to review other matters such as Health & Safety, sales pipeline, HR matters and project performance as well as communicate the Board's plan to the leadership team to ensure goal congruency.

### Suppliers

Our supply chain is a key part of our business and Readie ensures through pre-qualification questionnaires and Constructionline that it selects suppliers that can help us provide our clients with a quality service. We adopt long term, mutually rewarding, ongoing relationships with our suppliers and subcontractors. We value the huge contribution that the supply chain make and we work very hard to ensure that our supply chain partners are treated fairly and paid within agreed terms, throughout the history of the business we have enjoyed the wide benefits of treating the supply chain in this way.

### Environment and sustainability

The directors of Readie understand that as well as their legal responsibility to protect the environment, there is an overriding moral responsibility for the company's operations to have as minimal impact on the environment and wherever possible leave a sustainable and lasting positive impact on the surrounding areas of our projects. The foundation for the company's environmental management is our BS:EN: ISO14001:2015 accredited environmental management system.

# Readie Construction Limited

## Strategic Report For the year ended 31 March 2021

Our management system provides a solid structure within which each of our construction projects and our offices can operate to maintain good environmental management.

Readie utilises an online reporting tool to measure its waste volumes, energy usage and carbon footprint, called Smartwaste, which is owned and administered by the Building Research Establishment (BRE) group. Management of Readie uses this data to monitor and review the company's energy usage and carbon footprint. Using these measurements, they are then able to establish targets at a project and company level and subsequently identify realistic measures to reduce the environmental impact.

Readie is a proud supporter of the Eden Project and has been awarded The Planet Mark certification for the third year running which displays its commitment to continuously improve its sustainability and reducing carbon footprint. During the year Readie was able to reduce its carbon footprint per employee by 24.5% to 16.6 (2020: 22.0) tCO<sub>2</sub>e per employee.

Although the number of employees has increased, we recommended our non-support function employees to work remotely from site rather than coming to head office which was the main contributing factor to the reduction in the carbon footprint, with electricity usage down to 54,676 kWh (2020: 59,668 kWh) in the year ended 31 March 2021. We also use a green energy supplier for our electricity supply at Head Office.

One of the largest contributors to our carbon footprint is the emissions for staff travel to sites and head office which contributes to 97% of our carbon footprint. With Covid-19 lockdown and head office staff working from home – this significantly reduced our carbon footprint during the year.

### Key Performance Indicators

The company reviews both financial and non-financial key performance indicators in order to assess company performance. The most important ones are:

<i>Description</i>	<i>Year to 31 March 2021</i>	<i>Year to 31 March 2020</i>
Revenue	£179m	£196m
Gross Profit %	5.5%	6.0%
Cash balance	£13.4m	£5.7m
Profit before taxation	£3.1m	£7.3m
Number of full-time equivalent employees	170	166
Accident frequency rate	0.6	0

The company also monitors its employee retention, number of staff enrolled in long term professional programmes, average contract values, contracts awarded in the year, pipeline, repeat work by customers and capital expenditure.

# Readie Construction Limited

## Strategic Report For the year ended 31 March 2021

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### Business review

The directors are pleased to announce that the results of the company in unprecedented times show a year of strong results with a formidable pipeline of work of £380m for 2022 & £90m for 2023. Revenue has shrunk by 9% to £179m due to new projects being delayed as a result of the uncertainty surrounding the Covid-19 pandemic. In 2021, Covid-19 resulted in reduced revenue at the start of the financial year with confidence returning towards the back end of the financial year.

The cash balance at year end was strong at £13.4m (2020 £5.7m). Throughout the year, Readie was able to meet all its payment obligations and continues to manage its working capital without the need to raise finance. During the year £0.4m of funding was received from the Government through the Coronavirus Job Retention Scheme (Furlough), however, no other funding or debt was required.

Administrative expenses of £7m were larger than in the prior year by £2.4m due predominantly to increased staff costs, an accelerated share based payment charge of £0.5m and £0.77m of legal and advisory of costs as a result of the EOT transaction. This resulted in a lower profit before taxation figure of £3.1m (2020: 7.3m) and a PBT margin of 1.7% (2020: 3.7%).

Readie uses accident frequency rate (AFR) as a Health & Safety KPI. This is measured by taking the number of reportable incidents multiplied by a factor of one million, then divided by the total hours worked. It was a great year for Readie with an AFR of only 0.6 (2020: 0) because of one reportable RIDDOR incident.

The company continued its accreditation to BS:EN : ISO:9001:2015 in recognition of its Quality Management System during the year and places a high emphasis on delivering projects on time and to the required quality with its supply chain.

### Project Delivery

During the year, Readie worked on 23 projects and achieved 18 practical completions with a total of 2.3m ft<sup>2</sup> of warehouse space delivered to clients. In total 3.5m ft<sup>2</sup> of new industrial, logistics and retail space were worked on in the year.

### Research & Development Activities

The company is always looking for continuous improvements from our carbon footprint and environmental impact, to our IT infrastructure and systems, to becoming paperless as well as improvements in the way we work on construction sites, both from a Health & Safety perspective and a sustainability point of view.

Readie have in the past 12 months used Environment Agency Waste Exemptions and the WRAP Quality Protocol for Recycled Aggregates to move soil and stone between our own projects. In doing so RCL has dramatically reduced the amount of waste leaving sites and positively impacted the environment by reducing the amount of virgin material needing to be sourced but also reducing vehicle movements.

# Readie Construction Limited

## Strategic Report For the year ended 31 March 2021

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### Principal risks and uncertainties

#### *Economic Decline*

Although the UK has now left the EU through BREXIT, and has also had the impact of Covid-19 Pandemic on the economy, it is starting to show a gradual improvement with the OECD forecasting a growth of 7.2% to GDP after last year's decline. This growth will inevitably present both opportunities and risks, in particular the costs and availability of skilled labour and materials. There is also the effect of the Domestic reverse charge of VAT on the cashflow of our subcontractors and this is something Readie will be working closely with its supply chain on. The company continues to diversify and grow its client base to protect its financial position.

#### *Covid-19*

During the year Covid-19 presented some uncertainty and risks for the business and the directors continually reviewed this. However, since the first lockdown back in March 2020 there has been no disruption to the construction sector other than the additional hygiene protocol and social distancing measures required as a result of Covid-19, therefore our sites remained operational. Many new projects that were due to start were delayed as a result of the uncertainty, and some of the existing projects were delayed due to the inefficiencies created by the new ways of working due to Covid-19.

Readie ensured the sites implemented Covid-19 related Site Operating Procedures that were issued by the Construction Leadership Council to protect our workforce and minimise the risk of spread of infection. This also led to the increase in the number of cabins at our sites in order to ensure social distancing guidelines were met and additional H&S measures including temperature checks on site arrival and additional PPE.

The directors have also reviewed the company's financials and forecasts its liquidity which has remained strong throughout the pandemic and is monitored daily.

Inevitably some of the delayed project starts have resulted in a reduction of FY21 revenue, however, most of this has now gone in to FY22 with Readie securing a record 100% of the £380m forecasted revenue for the year ended 31 March 2022.

The company's approach reflects the strength of the business and its corporate social responsibility to employees, communities and wider stakeholders and the directors feel that the risk surrounding Covid-19 has been mitigated as best as possible.

#### *Contract Losses*

Contract losses can have a significant impact on the construction industry due to typically small profit margins on contracts. Unforeseen events such as adverse weather, shortage of supply chain capability, ground conditions and supply chain pricing pressures can lead to project losses. We are pleased to state that no provision for onerous contracts has been required in this financial year.

## Readie Construction Limited

### Strategic Report For the year ended 31 March 2021

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We mitigate these risks in several ways, by ensuring robust processes in our estimating, procurement and planning functions followed by a strong tender price sign off process. Monthly detailed project reviews ensure that profit margins are maintained and any issues relating to project delivery or unexpected costs are flagged early so that action can be taken at the appropriate level.

#### *Financing*

The company has strong liquidity with cash balances at the end of the year at £13.4m (2020: £5.7m). Credit terms are only granted to customers who are credit worthy by using ConstructionOnline to review non-financial information as well as Dun & Bradstreet to review financial data. Readie manages cash flow by negotiating credit terms with our customers and supply chain to ensure that all liabilities are paid as they fall due and does not have any short or long-term bank finance in place.

#### *Government Covid-19 aid*

During the year, Readie used the Coronavirus Job Retention Scheme (Furlough) help totalling £391,994 for employees being furloughed whilst projects were delayed. Other than this no other financial help or debt was required to maintain liquidity.

#### *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has a strict code of credit, including obtaining agency credit information, confirming references, and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The company does not hold any collateral.

#### **Future Outlook Short Term**

Blue chip client base - Readie continues to work with a wide range of the largest operators within the industrial and logistics sector without any over reliance on any one client, whilst continuing to acquire new clients within the sector. We remain highly selective on the types of clients and projects that we are willing to undertake.

Frameworks & Approved Lists - We have continued to secure workload via framework arrangements that we have with Goodman and Prologis. Additionally, we have secured opportunities via our position on approved lists with DPD, B&Q, DHL and Amazon.

#### **Future Outlook – Medium Term**

Our ability to avoid dispute both upwards and downwards with our clients and supply chain respectively continues to enable strong relationships across all levels of the business. These further cements our very strong reputation in the market resulting in keenness for clients to offer opportunities together with the same keenness from the supply chain wishing to work with us.

There remains very strong potential for us to further grow market share in the sector. In addition, the size of the industrial logistics sector in which we are a true specialist, continues to increase in size.

# Readie Construction Limited

## Strategic Report For the year ended 31 March 2021

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### Future Outlook – Long Term

We have identified some growing, related sectors where our industrial and logistics expertise can provide significant benefits. We will continue to build our network and skill sets in these areas to ensure that in the long term the company is well positioned to take advantage of opportunities for diversification and growth. Despite uncertainties with the wider economy the company has not seen any slowdown in the tender enquiries we receive, or the level of projects being awarded.

On behalf of the board

*Stuart Read*

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G S Read

Director

Date: 23 November 2021

## Readie Construction Limited

### Directors' report For the year ended 31 March 2021

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The directors present their report together with the audited financial statements of the company for the year ended 31 March 2021.

#### Results and dividends

The profit for the year after taxation amounted to £3,009,009 (2020: £6,116,804).

Dividends of £3,793,015 (2020: £6,621,000) were proposed and paid in the year in respect of the results for the year ended 31 March 2021.

#### Directors

The directors who held office during the year were as follows:

G S Read  
P M Stephens  
D I Stephens  
J McCarthy

#### Matters covered in the Strategic Report

As permitted by the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the directors' report, have been omitted as they are included in the Strategic Report on pages 3-9. These matters relate to the principal activity of the company, the principal risks and uncertainties that it faces and future developments.

#### Engagement with suppliers, customers and others

Stakeholder relationships are a key source of value that helps ensure the Company's success is sustainable in the long term. The Company seeks to ensure it manages the relationship with its stakeholders through regular communication, including through the Company's annual report to stakeholders.

#### Qualifying third party indemnity

The company had a Directors and Officers insurance policy in place throughout the year in respect of losses or liabilities to which they may be exposed.

#### Post balance sheet events

There are no significant post balance sheet events to report.

#### Greenhouse gas emissions, energy consumption and energy efficiency action

A consolidated Streamlined energy and carbon report has been prepared and included within the consolidated financial statements of Readie Management Limited, the parent company of Readie Construction Limited.

# Readie Construction Limited

## Directors' report For the year ended 31 March 2021

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### Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Going concern

As a result of the Global Coronavirus Pandemic, the company has continued to monitor Government advice and assess the impact on its financials and its ability to continue to trade. The company was able to continue to trade during the lockdown and all sites remained and continue to remain operational with some sites being classed as key worker sites.

The company has met its day to day working capital requirements using its existing cash and has not required any additional funds in order to continue to be operational.

As part of its risk assessment, the directors have prepared both worst case and base case scenarios and these forecasts take into consideration a prudent approach to changes as a result of the pandemic, show that the company has sufficient working capital to continue to operate within its current level of cash. The directors are therefore able to make a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for a period of no less than twelve months from the date of approving the financial statements

The company therefore continues to adopt the going concern basis in preparing its financial statements.

## Readie Construction Limited

### Directors' report For the year ended 31 March 2021

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#### Disclosure of Information to Auditor

The directors confirm that:

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

#### Auditor

The auditor, Grant Thornton UK LLP, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

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

*Stuart Read*

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G S Read

Director

Date: 23 November 2021

## Readie Construction Limited

### Independent auditor's report to the members of Readie Construction Limited For the year Ended 31 March 2021

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#### Opinion

We have audited the financial statements of Readie Construction Limited (the 'company') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

## Readie Construction Limited

### Independent auditor's report to the members of Readie Construction Limited For the year Ended 31 March 2021

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The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

#### 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.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

#### Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

#### Matters on which we are required to report by exception

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

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

## **Readie Construction Limited**

### **Independent auditor's report to the members of Readie Construction Limited For the year Ended 31 March 2021**

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#### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and industry in which it operates through our general, commercial and sector experience, discussions with management and inspection of board minutes.
- We determined that the following laws and regulations were most significant: FRS 102 (United Kingdom Generally Accepted Accounting Practice) and the Companies Act 2006.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:

## Readie Construction Limited

### Independent auditor's report to the members of Readie Construction Limited For the year Ended 31 March 2021

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- identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud;
  - identifying and testing journal entries, in particular, journal entries with characteristics that meet certain criteria assessed as higher risk; and
  - assessing the extent of compliance with the relevant laws and regulations that are of significance as part of our audit procedures.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
    - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
    - knowledge of the industry in which the Company operates; and
    - understanding of the legal and regulatory requirements specific to the Company, including the provisions of the applicable legislation.
  - The engagement team's communications in respect of potential non compliance with laws and regulations and fraud included the potential for fraud in revenue recognition including through manipulation of the stage of completion of construction contracts;
  - In assessing the potential risks of material misstatement, we obtained an understanding of:
    - the Company's operations, including the nature of its revenue sources and of its objectives and strategies, to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement; and
    - the Company's control environment including:
      - management's knowledge of the relevant laws and regulations and how the Company is complying with those laws and regulations;
      - the adequacy of procedures for authorisation of transactions; and
      - procedures to ensure that possible breaches of law and regulations are appropriately resolved.

#### Use of our report

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

*Grant Thornton UK LLP*

William McMullan BA FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
23 November 2021

## Readie Construction Limited

### Statement of comprehensive income For the year ended 31 March 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	4	<b>178,754,561</b>	195,945,643
Cost of sales		<b>(168,946,242)</b>	(184,103,427)
<b>Gross Profit</b>		<b>9,808,319</b>	11,842,216
Administrative expenses		<b>(7,031,998)</b>	(4,570,074)
<b>Operating profit</b>	7	<b>2,776,321</b>	7,272,142
Other income	8	<b>391,994</b>	-
Interest receivable and similar income	9	<b>2,260</b>	-
Interest payable and similar charges	10	<b>(51,547)</b>	(170)
<b>Profit before taxation</b>		<b>3,119,028</b>	7,271,972
Tax on profit	11	<b>(110,019)</b>	(1,155,168)
<b>Profit for the financial year</b>		<b>3,009,009</b>	6,116,804
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>3,009,009</b>	6,116,804

The accounting policies and notes on pages 20 to 38 form part of these financial statements.

## Readie Construction Limited

### Statement of financial position as at 31 March 2021 Registered number 06069233

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	13	314,558	423,483
<b>Current assets</b>			
Stocks	14	3,837,347	1,075,978
Debtors due within one year	15	44,169,883	39,276,833
Debtors due after one year	15	948,214	1,112,527
Cash at bank and in hand		13,449,824	5,695,434
		62,405,268	47,160,772
Creditors: amounts falling due with one year	16	(59,226,488)	(43,316,215)
<b>Net current assets</b>		3,178,780	3,844,557
<b>Total assets less current liabilities</b>		3,493,338	4,268,040
Creditors: amounts falling due after one year	16	(1,046,515)	(1,073,123)
Provisions for liabilities	19	(17,003)	(563,651)
<b>TOTAL NET ASSETS</b>		2,429,820	2,631,266
<b>Capital and reserves</b>			
Called up share capital		360,000	360,000
Profit and loss account		2,069,820	2,110,133
Share based payment reserve	21	-	161,133
<b>TOTAL EQUITY</b>		2,429,820	2,631,266

The financial statements were approved by the board of directors and authorised for issue on 23 November 2021 and were signed on its behalf by

*Stuart Read*

.....  
G S Read - Director

The accounting policies and notes on pages 20 to 38 form part of these financial statements

## Readie Construction Limited

### Statement of changes in equity For the year ended 31 March 2021

	Called up share capital	Profit and loss account	Share based payment reserve	Total equity
	£	£	£	£
<b>Balance as at 1 April 2019</b>	360,000	2,614,329	-	2,974,329
Profit for the year	-	6,116,804	-	6,116,804
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income for the year</b>	-	6,116,804	-	6,116,804
Dividends	-	(6,621,000)	-	(6,621,000)
Share based payment charge	-	-	161,133	161,133
<b>Balance as at 31 March 2020</b>	360,000	2,110,133	161,133	2,631,266
<b>Balance as at 1 April 2020</b>	360,000	2,110,133	161,133	2,631,266
Profit for the year	-	3,009,009	-	3,009,009
<b>Total comprehensive income for the year</b>	-	3,009,009	-	3,009,009
Dividends	-	(3,793,015)	-	(3,793,015)
Share based payment charge	-	743,693	(161,133)	582,560
<b>Balance as at 31 March 2021</b>	360,000	2,069,820	-	2,429,820

The accounting policies and notes on pages 20 to 38 form part of these financial statements

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2021

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### 1. General information

Readie Construction Limited is a private company limited by shares, incorporated and domiciled in England. Its registered office and principal place of business is Unit 18, Falcon Business Centre, Ashton Road, Romford, Essex, RM3 8UR. Readie Construction Limited is a construction company active in the retail, fit-out, and other commercial sectors, continuing to specialise in the industrial sector.

The individual financial statements have been prepared under the historical costs convention and in compliance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

### 2. Summary of Significant Accounting Policies

#### a) Basis of Preparing the Financial Statements

The preparation of the 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

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. The Company has adopted FRS 102 in these financial statements.

The Company has taken advantage of the following disclosure exemptions available under paragraph 1.12 of FRS102:

- Disclosure in respect of each share class of share capital has not been presented
- No cashflow has been presented for the company
- Disclosures in respect of financial instruments have not been presented
- No disclosure has been given for the aggregate remuneration of key management personnel

#### b) Going concern

As a result of the Global Coronavirus Pandemic, the company has continued to monitor Government advice and assess the impact on its financials and its ability to continue to trade. The company was able to continue to trade during the lockdown and all sites remained and continue to remain operational with some sites being classed as key worker sites.

The company has met its day to day working capital requirements using its existing cash and has not required any additional funds in order to continue to be operational.

## **Readie Construction Limited**

### **Notes to the financial statements For the year ended 31 March 2021**

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#### **2. Summary of Significant Accounting Policies (continued)**

As part of its risk assessment, the directors have prepared both worst case and base case scenarios and these forecasts take into consideration a prudent approach to changes as a result of the pandemic, show that the company has sufficient working capital to continue to operate within its current level of cash. The directors are therefore able to make a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for a period of no less than twelve months from the date of approving the financial statements

The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **c) Consolidated Financial Statements**

Readie Management Limited is the ultimate parent entity in the group and the results will therefore be included in the consolidated financial statements of Readie Management Limited for the year ended 31 March 2021, which will be publicly available.

These financial statements therefore only present information about the company as a individual single entity.

#### **d) Foreign currency**

The Company's functional and presentational currency is GBP (pounds sterling).

#### **e) Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received excluding value added tax. Revenue is recognised as each contract progresses. Variations on contracts are recognised in the same way once it has been agreed with a customer to commence.

#### **f) Construction Contracts**

Contract revenue, costs and thus gross profits are recognised on the percentage completion method. When the outcome of a contract can be estimated reliably, contract revenue and contract costs associated with the contract are recognised as revenue and expenses respectively by reference to the stage of completion of that contract activity at the year end. The Company recognises the revenue and costs on the basis of the individual element of the contract to which the turnover and expense relates, in accordance with the stage of completion.

## Readie Construction Limited

### Notes to the financial statements For the year ended 31 March 2021

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#### 2. Summary of Significant Accounting Policies (continued)

Any costs and revenue that cannot be attributed to a specific element of the contract are spread over the contract on the overall percentage completion basis based on the total completion by the year end. Revenues derived from variations on contracts are recognised in the same way. When the outcome of a contract cannot be estimated reliably the company only recognises revenue to the extent of the recoverable contract costs incurred.

The stage of completion is determined on the basis of progress on each contract measured by reference to physical estimates by quantity surveyors on the work performed to date. A conservative proportion of the profit estimated to be earned on completion of contracts is considered by reference to work completed at the year end.

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

Amounts payable on long term contracts, which are included in creditors, are stated as the expected costs and anticipated losses on contracts based on the percentage completion of a contract.

Profits on long term contracts are taken as the work is carried out and the final outcome can be assessed with reasonable certainty. Overall losses on contracts are recognised in full as soon as identified. Losses on individual elements of a contract are not recognised if this can be set against profits elsewhere within a contract.

#### g) Government grants

Grants from government are recognised where there is reasonable assurance that the grant will be received, and the Company will comply with all attached conditions. Government grants relating to costs (or net losses) are deferred and recognised in the Statement of the Comprehensive Income over the period necessary to match them with the costs (or net losses) they are intended to compensate.

The Coronavirus Job Retention Scheme "CJRS" (also known as furlough) was designed to help employers affected by coronavirus to retain their employees and protect the UK economy. A grant was paid to cover a part of an employee's regular wages for any time spent on furlough through the Coronavirus Job Retention Scheme. The percentage of the wages paid under the scheme varied at different times of the period but was capped at a maximum of 80%. CJRS income is recognised in the income statement as other income in the same period in which the related costs are incurred to the extent there is reasonable certainty that the grant will be received.

## Readie Construction Limited

### Notes to the financial statements For the year ended 31 March 2021

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#### 2. Summary of Significant Accounting Policies (continued)

##### h) Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

##### (i) *Short term benefits*

Short term benefits are recognised as an expense in the period in which the service is received.

##### (ii) *Defined contribution pension plans*

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### i) Share based compensation

The ultimate parent company, Readie Management Limited has issued share options to certain employees. The fair value of the share-based award is determined at the grant date using a Black Scholes model. Share based awards are recognised and expensed on a straight-line basis over the vesting period based on the Company's estimate of the shares that will eventually vest.

In the consolidated financial statements of Readie Management Limited, the transaction is treated as a share based payment as the Group has received services in consideration for the equity instruments therefore, an expense is charged to the Group income statement for the fair value of the share based payment over the vesting year with a charge to equity.

In the financial statements of Readie Construction Limited (the subsidiary), as the company has no obligation to settle the award, an expense is recognised each year and the credit to equity is treated as a capital contribution.

##### j) Taxation

Taxation expenses represents the aggregate amount of current tax and deferred tax recognised in the reporting period.

Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity. Tax is also recognised in other comprehensive income or directly in equity respectively.

## Readie Construction Limited

### Notes to the financial statements For the year ended 31 March 2021

#### 2. Summary of Significant Accounting Policies (continued)

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.

A deferred tax asset or liability is recognised for tax recoverable or payable in future periods in respect of transactions and events recognised in the financial statements of current and previous periods.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred taxes are not discounted.

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 reversal of timing differences.

#### k) Tangible Fixed Assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is de-recognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Office and computer equipment	Over 5 years
Motor vehicles	Over 3 years
Leasehold improvements	Over 10 years

## Readie Construction Limited

### Notes to the financial statements For the year ended 31 March 2021

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#### 2. Summary of Significant Accounting Policies (continued)

##### l) Leased assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

##### *Operating leased assets*

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

##### m) Stock

Work in progress, assets held for resale and stock are recognised at the lower of cost and net realisable value.

##### n) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Long term debtors are measured at transaction price, less any impairment, and discounted to present value where the difference is material.

##### o) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash, with original maturities of 3 months or less, and are subject to a significant risk to changes in value.

##### p) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs and are measured subsequently at amortised cost using the effective interest method.

##### q) Provisions

Provisions are made for losses on contracts. No provisions are made for general operating losses. Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

## Readie Construction Limited

### Notes to the financial statements For the year ended 31 March 2021

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#### 2. Summary of Significant Accounting Policies (continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

#### r) Financial Instruments

The company only enters into basic instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from bank and other third parties, and loans to related parties.

Debt instruments like loans and other debtors and creditors are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically creditors or debtors, 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 outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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 profit or loss.

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 the 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.

## Readie Construction Limited

### Notes to the financial statements For the year ended 31 March 2021

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#### 2. Summary of Significant Accounting Policies (continued)

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.

##### s) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### t) Distributions to equity holders

Dividends and other distributions to Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's Directors or Shareholders as appropriate. These amounts are recognised in the statement of changes in equity.

##### u) Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group.

#### 3. Critical Accounting Judgements and Estimation Uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### Critical Accounting Estimates and Assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

## Readie Construction Limited

### Notes to the financial statements For the year ended 31 March 2021

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#### 3. Critical Accounting Judgements and Estimation Uncertainty (continued)

##### (i) *Percentage completion method used for long term contracts*

The company makes an estimate of the stage of completion of a project based on the costs incurred and revenue earned at the period end. Management then make assumptions regarding the collectability of billings and future expected costs. The method used is as stated in the construction contracts accounting policy 2f). Estimation uncertainty will exist with regard to the gross profit being recognised at the year end. The Directors believe that this uncertainty is reduced to an acceptable level by using quantity surveyors' reports to assess the stage of the contract at the period end.

##### (ii) *Provisions*

Provision is made for asset retirement obligations, dilapidations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

##### (iii) *Valuation of share options using the Black-Scholes Model*

The company estimated the valuation and subsequent charge to the income statement for the equity settled share-based payment (see note 21) in respect of the year ending 31 March 2020. Management used the Black-Scholes Model which required several assumptions which have estimation uncertainty and judgement including:

- the valuation of the shares at grant date
- the charge to the income statement over the vesting period of the share options
- deeming the fair value to be expensed on a straight-line basis over the vesting period, and
- the vesting period to be 10 years.

These shares have now been sold in Readie Management Limited (see note 21).

## Readie Construction Limited

### Notes to the financial statements For the year ended 31 March 2021

#### 4. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company, construction. All turnover of £178,754,561 (2020: £195,945,643) was within the United Kingdom.

#### 5. Staff Costs (including Directors' remuneration)

	2021	2020
	£	£
Wages and salaries	10,378,694	8,851,051
Social security costs	1,215,943	1,186,907
Other pension costs	487,183	477,524
	<u>12,081,820</u>	<u>10,515,482</u>
Share based payment charge (Note 21)	582,560	161,133

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

	2021	2020
Administration	34	30
Construction	136	136
	<u>170</u>	<u>166</u>

Total Company key management personnel compensation (including Directors) was £2,640,558 (2020: £1,272,247).

#### 6. Directors' Emoluments in Respect of Services as a Director

	2021	2020
	£	£
Directors' remuneration	<u>1,338,584</u>	<u>592,324</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2021	2020
	No.	No.
Money purchase schemes	<u>4</u>	<u>4</u>

During the year the company contributed £31,072 (2020: £30,650) towards money purchase pension scheme for the directors. There were £nil (2020: £nil) outstanding contributions as at 31 March 2021.

The highest paid director received pension of £10,000 (2020: £10,000) together with salary and benefits of £538,630 (2020: £194,347), for all services provided to the entity.

## Readie Construction Limited

### Notes to the financial statements For the year ended 31 March 2021

#### 7. Operating Profit

The operating profit is stated after charging:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other operating leases	107,801	99,047
Depreciation - owned assets	139,079	126,129
Share based payment charge (Note 21)	582,560	161,133
Research and development expenditure	1,300,010	1,814,315
Fees payable to the Company's auditor:		
-remuneration for audit services	63,976	46,350
-remuneration for tax advisory services	44,700	52,849
-remuneration for tax compliance services	38,805	7,674

#### 8. Other income

During the year, Readie received government grant income relating to the Coronavirus Job Retention Scheme (furlough) of £391,994.

#### 9. Interest Receivable

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest on corporation tax	2,260	-

#### 10. Interest Payable and Similar Charges

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other interest payable	51,547	170

## Readie Construction Limited

### Notes to the financial statements For the year ended 31 March 2021

#### 11. Taxation

The tax charge on the profit on ordinary activities for the year was as follows:

	2021	2020
	£	£
<b>Current tax</b>		
UK corporation tax	517,724	1,167,937
Adjustments in respect of prior periods	(398,051)	(113,174)
Total current tax (credit) / charge	119,673	1,054,763
<b>Deferred tax</b>		
Origination and reversal of timing differences	104,887	110,257
Adjustments in respect of prior periods	(114,541)	(9,852)
Total deferred tax charge / (credit)	(9,654)	100,405
Tax on (loss)/profit on ordinary activities	110,019	1,155,168

UK corporation tax has been charged at 19% (2020: 19%).

#### Reconciliation of Total Tax Charge included in Profit and Loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit on ordinary activities before tax	3,119,028	7,271,292
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	592,615	1,381,545
Expenses not deductible for tax purposes	300,841	79,563
Adjustments to tax charge in respect of previous periods	(398,051)	(113,174)
Group relief (claimed)	(17)	(62,507)
Additional deduction for R&D expenditure	(247,002)	(120,536)
Fixed asset differences	(23,826)	-
Adjust opening deferred tax to average rate of 19% (2020: 19%)	-	(9,853)
Adjustments to tax charge in respect of previous periods - deferred tax	(114,541)	-
Tax charge for the year	110,019	1,155,168

## Readie Construction Limited

### Notes to the financial statements For the year ended 31 March 2021

#### 12. Dividends

360,000 ordinary shares of £1 each. A dividend of £10.54 (2020: £18.39) was declared and paid per share.

	2021 £	2020 £
Dividends declared and paid	3,793,015	6,621,000

#### 13. Tangible Fixed Assets

	Office & Computer Equipment £	Motor Vehicles £	Leasehold Improvements £	TOTAL £
<b>COST</b>				
At 1 April 2020	410,764	24,300	258,336	693,400
Additions	30,154	-	-	30,154
Disposals	-	-	-	-
At 31 March 2021	440,918	24,300	258,336	723,554
<b>DEPRECIATION</b>				
At 1 April 2020	220,237	24,300	25,380	269,917
Depreciation	112,707	-	26,372	139,079
Disposals	-	-	-	-
At 31 March 2021	332,944	24,300	51,752	408,996
<b>NET BOOK VALUE</b>				
At 31 March 2020	190,527	-	232,956	423,483
At 31 March 2021	<b>107,974</b>	-	<b>206,584</b>	<b>314,558</b>

## Readie Construction Limited

### Notes to the financial statements For the year ended 31 March 2021

#### 14. Stocks

	2021	2020
	£	£
Work in progress	3,837,347	1,075,978
<b>Total Stocks</b>	<b>3,837,347</b>	<b>1,075,978</b>

#### 15. Debtors

##### Amounts Falling Due Within One Year

	2021	2020
	£	£
Trade debtors	20,137,914	15,870,411
Amounts owed by group undertakings	4,780,183	6,373,183
Taxation	607,301	-
Amounts recoverable on contracts	18,318,039	15,619,839
Other debtors	15,771	28,611
Social security and other taxes	-	1,131,873
Prepayments and accrued income	310,675	252,916
	<b>44,169,883</b>	<b>39,276,833</b>

Amounts recoverable on contracts represents sales invoices issued after 31 March 2021 in respect of work undertaken in the year ended 31 March 2021 with appropriate provision being made in accruals and deferred income (Note 16) for costs incurred in undertaking such work but which had not been invoiced at 31 March 2021.

Amounts owed by group undertakings loan is detailed in Note 22.

##### Amounts Falling Due After One Year

	2021	2020
	£	£
Trade debtors	948,214	1,112,527
	<b>948,214</b>	<b>1,112,527</b>

## Readie Construction Limited

### Notes to the financial statements For the year ended 31 March 2021

#### 16. Creditors: Amounts Falling Due Within One Year

	2021 £	2020 £
Trade creditors	21,797,855	19,212,454
Taxation	-	366,087
Social security and other taxes	2,434,214	391,798
Accruals and deferred income	29,232,961	17,105,598
Amounts payable in relation to long term contracts	5,701,104	6,208,512
Amounts owing to related parties	60,354	31,766
	<u>59,226,488</u>	<u>43,316,215</u>

Accruals and deferred income include accrued costs of £28,890,552 (2020: £17,306,042) representing costs of work undertaken at 31 March 2021 relating to turnover including accrued income recognised in these financial statements and included in Amounts recoverable on long term contracts referred to in note 15 above.

#### Creditors: Amounts Falling Due after One Year

	2021 £	2020 £
Amounts payable in relation to long term contracts	1,046,515	1,073,123
	<u>1,046,515</u>	<u>1,037,123</u>

#### 17. Pension Costs

The company operates a defined contribution pension scheme and amounts unpaid at the year-end totals £nil (2020: £58,870). Pension costs recognised as an expense totals £487,183 (2020: £477,524).

#### 18. Leasing Agreements

The total of future minimum lease payments fall due as follows:

	Non-cancellable operating leases	
	2021 £	2020 £
Within one year	105,500	105,500
Between one and five years	215,653	321,153
More than five years	-	-
	<u>321,153</u>	<u>426,653</u>

Lease payments recognised as an expense total £107,801 (2020: £99,047).

## Readie Construction Limited

### Notes to the financial statements For the year ended 31 March 2021

#### 19. Provisions for Liabilities

	2021	2020
	£	£
Lease reinstatement	10,000	10,000
Onerous Contracts	-	536,994
Deferred tax	7,003	16,657
	17,003	563,651

The lease reinstatement cost is a dilapidations provision for the existing lease for the premises at Unit 18 and Unit 15 which are under a non-cancellable operating lease.

The onerous contracts provision is a charge of £nil (2020: £536,994) for the period in relation to loss making contracts where the outflow for these projects are expected to occur within a year.

	Deferred tax
	£
Balance at 1 April 2020 (deferred tax liability)	(16,657)
Credited during year	9,654
	(7,003)

The provision for deferred tax is made up as follows:

	2021	2020
	£	£
Fixed asset timing differences	14,880	(29,742)
Short term timing differences	(7,877)	13,085
	(7,003)	(16,657)

#### 20. Reserves

Profit and loss account – include all current and prior period retained profits and losses & dividends paid out from those reserves.

Share based payment reserve – in Readie Construction Limited, this is the capital contribution from its parent company for the share-based payment options.

## Readie Construction Limited

### Notes to the financial statements For the year ended 31 March 2021

#### 20. Reserves (continued)

	2021	2020
	£	£
<b>Allotted, issued and fully paid</b>		
Ordinary shares of £1 each	360,000	360,000
	<u>360,000</u>	<u>360,000</u>

Each ordinary share is entitled to one vote and ranks pari passu in respect of dividend payments or any other distribution. Each ordinary share is entitled pari passu to participate in a distribution arising from a winding up of the company.

#### 21. Share based payment reserve

Readie Management Limited, the parent undertaking, provides equity settled share-based payment arrangements to certain employees of Readie Construction Limited, the subsidiary company, under an Enterprise Management Incentive (EMI) scheme. The share options were granted on 31 January 2020 and were exercised on 31 January 2020. The vesting of those shares is conditional on the continuous service of the employee for a ten-year period before becoming unconditionally entitled to those share-based payments. Whilst the shares have been exercised, the conditions attached to those shares mean that the share award does not vest immediately. The fair value is expensed on a straight-line basis over the vesting period, in this case, ten years. The employees are entitled to dividends during the vesting period based on company performance.

The fair value of the share options has been determined using the Black-Scholes model.

As the shares were sold in Readie Management Limited, to Readie Trustee Limited on 19 March 2021, all vesting conditions were satisfied which meant the full share option charge has been recognised during the financial year. These reserves have been transferred to distributable reserves. A reconciliation of the share option movements over the year to 31 March 2021 is shown below:

	No.	Weighted average exercise price
At 1 April 2020	20,364	£36.52
Granted	-	-
Forfeited	-	-
Exercised and vested	(20,364)	£(36.52)
As at 31 March 2020	<u>-</u>	<u>-</u>
<b>At 31 March 2021</b>	<u>-</u>	<u>-</u>

## Readie Construction Limited

### Notes to the financial statements For the year ended 31 March 2021

#### 21. Share based payment reserve (continued)

Assumptions used in estimating fair value:

Fair value of shares at date of grant	£39.50
Exercise price	£3.01
Risk free rate	0.10%
Expected volatility	5.0%
Expected Life	10 years
Total share option charge	£743,693

The share-based payment reserve is a fully distributable reserve and is no longer required given all vesting conditions were met during the financial year. The share-based payment reserve has therefore been recycled to the profit and loss reserve during the year ended 31 March 2021.

#### 22. Related Party Disclosures

The company is not required to disclose related party transactions with companies who are wholly owned within the group, in accordance with FRS102.

##### Vantage (2009) SSAS

During the year the company paid £20,000 (2020: £20,000) to Vantage (2009) SSAS, a pension fund in which certain directors are also members.

At the Statement of financial position date, the amount due to Vantage (2009) SSAS was £Nil (2020: £Nil).

During the year £20,000 (2020: £20,000) was charged to the Statement of comprehensive income.

##### H J S Limited

During the year, the company paid £124,456 (2020: £59,560) for plant hire services to H J S Limited, a company in which a director, Mr P M Stephens is also a director and holds 50% of issued share capital.

At the Statement of financial position date, the amount due to H J S Limited was £59,254 (2020: £9,466) included under trade creditors.

During the year £145,203(2020: £54,745) was charged to the Statement of comprehensive income.

## Readie Construction Limited

### Notes to the financial statements For the year ended 31 March 2021

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#### 22. Related Party Disclosures (continued)

##### Vengeance Investments Limited

During the year, the company paid £86,400 (2020: £86,400) to Vengeance Investments Limited, a company in which Mr P M Stephens and Mr G S Read are directors and hold 50% of issued share capital each.

At the Statement of financial position date, the amount due to Vengeance Investments Limited was £Nil (2020: £21,600).

During the year £72,000 (2020: £72,000) was charged as rent costs to the Statement of comprehensive income.

##### Ram Web Solutions Limited

During the year, the company paid £4,360 (2020: £4,120) to RAM Web Solutions Limited for website design and development services a company in which a director is the brother of Mr P M Stephens and MR D I Stephens, Directors of Readie Construction Limited.

At the Statement of financial position date, the amount due to RAM Web Solutions Limited was £1,100 (2020: £700) included under trade creditors.

During the year the £4,760 (2020: £4,220) was charged to the Statement of comprehensive income.

#### 23. Ultimate Controlling Party

Readie Management Limited is the parent company. Readie Management Limited's registered office is Unit 18, Falcon business centre, Ashton Road, RM3 8UR. It is an entity incorporated in England.

Consolidated financial statements for Readie Management Limited are available from Companies House.

The ultimate controlling party is Readie Trustee Limited, a company incorporated in England and Wales which holds the ordinary shares issued by Readie Management Limited in Trust for the benefit of employees.