

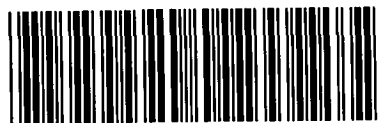
**Readie Construction Limited**

**Annual Report and Financial Statements**

**Financial Year Ended 31 March 2019**

**Registered number 06069233**

THURSDAY



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15/08/2019  
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# Readie Construction Limited

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# Readie Construction Limited

## Company Information

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<b>Directors</b>	G S Read P M Stephens J McCarthy D I Stephens
<b>Secretary and Registered office</b>	Unit 18 Falcon Business Centre Ashton Road Romford RM3 8UR
<b>Registered number</b>	06069233
<b>Independent auditor</b>	PKF Littlejohn LLP Statutory auditor 1 Westferry Circus Canary Wharf London E14 4HD
<b>Bankers</b>	National Westminster Bank Plc 216 Bishopsgate London EC2M 4QB

# Readie Construction Limited

## Strategic Report For the year ended 31 March 2019

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The directors present the strategic report and financial statements for the year ended 31 March 2019.

### Readie Construction

Readie Construction 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 Manager with the results of such safety audits generating improvement recommendations for revised business procedures.

### Investing in Future Talent

To ensure the company is well prepared for long term success the board took the decision this year to strengthen our workforce with the hire of new senior roles in Pre-Construction, HR, Finance and Marketing. We also created several new senior strategic directorial roles to ensure that we have the infrastructure in place for continued growth. We invest in mandatory training courses for employees as well as 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 2019 some 28% of our workforce were enrolled onto long term professional training programmes.

### Highlights

The directors are very pleased to announce that the results of Readie Construction show another year of solid growth and success for the company in respect of turnover, profit and balance sheet size:

- Turnover growth of 26% to £172.8m (2018: £136.9m)
- Profit before taxation has increased by 9% to £7.3m (2018: £6.7m)
- Year End cash balance has increased to £11.5m (2018: £2.2m)
- Balance sheet value has increased to £3.0m (2018: £0.9m)
- Projects worked on during the year 37 (2018: 25)
- The company has a robust order book with 87% of its £230m turnover forecast secured for the year ending 31 March 2020.

### Milestones

At the end of March 2019:

- The company was, for the third time, recognised by the Sunday Times Profit Track 100 and achieved position 12 of 100 in the league table for the fastest growing private companies in 2019

# Readie Construction Limited

## Strategic Report For the year ended 31 March 2019

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- For the second year running the company was recognised as one of the top 1000 fastest growing companies in Europe by the Financial Times
- Staff head count had grown by 31% and reached a total of 142 (2018: 108)
- 28% of our staff are enrolled in and working towards long term qualifications in varying professional disciplines
- The company continued its accreditation to BS:EN : ISO:9001:2015 in recognition of its Quality Management System
- The company continued its accreditation to BS:EN :ISO:14001:2015 in recognition of its Environmental Management System
- We completed construction of the largest and tallest speculative logistics warehouse in the UK, providing the market with an effective distribution facility that sets the benchmark in terms of flexibility of design and specification

### Principal risks

#### *Economic Decline*

A decline in the wider economy may lead to a decline in the UK construction industry and there is ongoing uncertainty around our exit from the European Union. BREXIT brings its own potential risks and challenges and at present we still do not know whether a deal will be agreed. There is a risk of availability of labour within our supply chain and also a risk that key material products supplied by our subcontractors may be delayed coming into the UK. The company continues to diversify and grow its client base to protect our financial position.

#### *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 mitigate these risks in a number of 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 £11.5m (2018: £2.2m). Credit terms are only granted to customers who are credit worthy. We manage cash flow by negotiating credit terms with our customers and supply chain to ensure that all liabilities are paid as they fall due. We do not have any short or long-term bank finance in place.

### Future Outlook

Despite uncertainties with the wider economy once we leave the European Union, the company has not seen any slowdown in the tender enquiries we receive, or the level of projects being awarded. On the contrary, we continue to experience high growth year on year, in terms of profitability and revenue. The company is confident of another successful year with a current secured order book of £200m which accounts for 87% of our turnover forecast for year ending 31 March 2020. We are a trusted and respected specialist main contractor and with our commitment to providing first class customer service we are well positioned to continue our success.

# Readie Construction Limited

Strategic Report  
For the year ended 31 March 2019

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## Future Outlook Short Term

Blue chip client base - We continue to work with a wide range of the largest operators within the industrial and logistics sector without any over reliance on any one client, we also continue 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 and DHL.

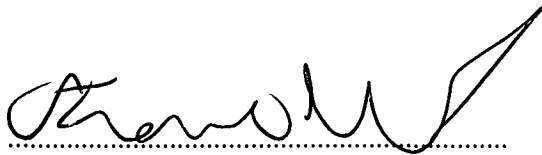
## Future Outlook – Medium Term

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. This further cements our very strong reputation in the market resulting in keenness for clients to offer opportunities together with the same keen-ness 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.

## 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.

On behalf of the board

A handwritten signature in black ink, appearing to read 'G S Read', is written over a horizontal dotted line.

G S Read - Director

Date: 14<sup>th</sup> August 2019

# Readie Construction Limited

## Directors' report For the year ended 31 March 2019

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The directors present their report together with the audited financial statements of the company for the year ended 31 March 2019.

### Results and dividends

The profit for the year after taxation amounted to £6,074,587 (2018: £5,515,882).

Dividends of £4,021,000 (2018: £8,144,169) have been paid in the year in respect of the results for the year ended 31 March 2019.

Dividends of £1,850,000 were declared and paid in May 2019 in respect of the results of the year ended 31 March 2020.

### 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 3-5. These matters relate to the principal activity of the company, the principal risks that it faces and future developments.

### Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 Financial Reporting Standard 102, the financial standard applicable in the UK and Republic of Ireland (FRS102).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

# Readie Construction Limited

## Directors' report For the year ended 31 March 2019

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### Statement of Directors' Responsibilities (continued)

- state whether applicable 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.

### Disclosure of Information to Auditor

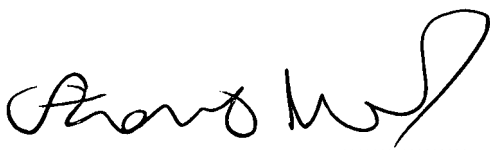
So far as each of the Directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditor

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

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



.....  
G S Read - Director

Date: 14<sup>th</sup> August 2019

# Readie Construction Limited

## Independent auditor's report to the members of Readie Construction Limited

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### Opinion

We have audited the financial statements of Readie Construction Limited (the 'company') for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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 2019 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 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and,

# Readie Construction Limited

## Independent auditor's report to the members of Readie Construction Limited

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

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

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

### Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and

# Readie Construction Limited

## Independent auditor's report to the members of Readie Construction Limited

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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.

### 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.



**Eric Hindson (Senior Statutory Auditor)**

**For and on behalf of PKF Littlejohn LLP**

**Statutory Auditor**

**14<sup>th</sup> August 2019**

1 Westferry Circus

Canary Wharf

London E14 4HD

# Readie Construction Limited

## Statement of comprehensive income For the year ended 31 March 2019

	Notes	2019 £	2018 £
Turnover	5	172,841,305	136,894,277
Cost of sales		(161,485,561)	(127,649,307)
<b>Gross Profit</b>		<b>11,355,744</b>	<b>9,244,970</b>
Administrative expenses		(4,084,273)	(2,503,465)
<b>Operating profit</b>	8	<b>7,271,471</b>	<b>6,741,505</b>
Interest receivable and similar income	9	238	-
Interest payable and similar charges	10	(417)	(5,158)
<b>Profit before taxation</b>		<b>7,271,292</b>	<b>6,736,347</b>
Tax on profit	11	(1,196,705)	(1,220,465)
<b>Profit for the financial year</b>		<b>6,074,587</b>	<b>5,515,882</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>6,074,587</b>	<b>5,515,882</b>

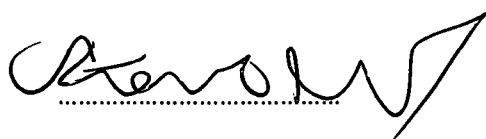
The accounting policies and notes on pages 15 to 31 form part of these financial statements.

# Readie Construction Limited

Statement of financial position as at 31 March 2019  
Registered number 06069233

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	13	379,319	270,619
<b>Current assets</b>			
Stocks	14	214,166	539,412
Debtors due within one year	15	29,923,351	24,089,130
Debtors due after one year	15	1,007,117	816,375
Cash at bank and in hand		11,547,561	2,217,327
		<b>42,692,195</b>	<b>27,662,244</b>
Creditors: amounts falling due with one year	16	(37,310,675)	(26,335,313)
<b>Net current assets</b>		<b>5,381,520</b>	<b>1,326,931</b>
<b>Total assets less current liabilities</b>		<b>5,760,839</b>	<b>1,597,550</b>
Creditors: amounts falling due after one year	16	(959,588)	(631,601)
Provisions for liabilities	20	(1,826,922)	(45,207)
<b>TOTAL NET ASSETS</b>		<b>2,974,329</b>	<b>920,742</b>
<b>Capital and reserves</b>			
Called up share capital	21	360,000	360,000
Profit and loss account		2,614,329	560,742
<b>TOTAL EQUITY</b>		<b>2,974,329</b>	<b>920,742</b>

The financial statements were approved by the board of directors and authorised for issue on 14<sup>th</sup> August 2019 and were signed on its behalf by



G S Read - Director

The accounting policies and notes on pages 15 to 31 form part of these financial statements

## Readie Construction Limited

### Statement of changes in equity For the year ended 31 March 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
<b>Balance as at 1 April 2017</b>	360,000	3,189,029	3,549,029
Profit for the year	-	5,515,882	5,515,882
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	-	5,515,882	5,515,882
Dividends	-	(8,144,169)	(8,144,169)
<b>Balance as at 31 March 2018</b>	360,000	560,742	920,742
<b>Balance as at 1 April 2018</b>	360,000	560,742	920,742
Profit for the year	-	6,074,587	6,074,587
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	-	6,074,587	6,074,587
Dividends	-	(4,021,000)	(4,021,000)
<b>Balance as at 31 March 2019</b>	360,000	2,614,329	2,974,329

The accounting policies and notes on pages 15 to 31 form part of these financial statements

# Readie Construction Limited

## Statement of cash flows For the year ended 31 March 2019

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated from / (used in) operations	4	14,512,421	(1,532,799)
Interest Paid		(179)	(5,158)
Tax Paid		(969,357)	(1,888,204)
Net cash generated from / (used in) operating activities		13,542,885	(3,426,161)
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(216,517)	(237,524)
Proceeds from disposal of tangible fixed assets		24,866	-
Net cash from investing activities		(191,651)	(237,524)
<b>Cash flows from financing activities</b>			
Equity dividends paid		(4,021,000)	(8,144,169)
Net cash in financing activities		(4,021,000)	(8,144,169)
<b>Increase/(Decrease) in cash and cash equivalents</b>		<b>9,330,234</b>	<b>(11,807,854)</b>
<b>Cash and cash equivalents at the beginning of year</b>		<b>2,217,327</b>	<b>14,025,181</b>
<b>Cash and cash equivalents at the end of year</b>		<b>11,547,561</b>	<b>2,217,327</b>

The accounting policies and notes on pages 15 to 31 form part of these financial statements

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2019

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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 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.

#### b) Going Concern

The company meets its day to day working capital requirements through its bank facilities. The company's forecasts and projections, taking account of reasonably foreseeable changes in trading performance, show that the Company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

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

#### c) Consolidated Financial Statements

On 31 January 2018 Readie Management Limited acquired the entire share capital of Readie Group Limited, the parent of Readie Construction Limited. 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 their first period of account being the long period ending 31 March 2019, which will be publicly available.

These accounts are the Company's single entity financial statements.

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2019

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

#### 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.

#### ***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. 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. 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.

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2019

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

#### f) 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.

#### g) 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.

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.

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2019

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

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.

#### h) 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

#### i) 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.

##### (i) *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.

#### j) Stock

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

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2019

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### Summary of Significant Accounting Policies (continued)

#### k) Debtors

Short term debtors including collateral on performance bonds are measured at transaction price, less any impairment.

#### l) 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. Collateral held is shown within other debtors.

#### m) 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.

#### n) 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.

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.

#### o) Financial Instruments

The Company has chosen to adopt section 11 and section 12 of FRS102 in respect of 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, loans to related parties.

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2019

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

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.

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.

#### p) 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.

#### q) 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.

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2019

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

#### r) 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.

#### (i) *Impairment of debtors*

The Company makes an estimate of the recoverable value of trade and other debtors including accrued income. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

#### (ii) *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 2e). 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.

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2019

### 4. Reconciliation of Profit before Taxation to Cash Generated from Operations

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit before taxation	7,271,292	6,736,347
Depreciation charges	82,951	74,232
Finance costs	417	5,158
Finance income	(238)	-
	<u>7,354,422</u>	<u>6,815,737</u>
Decrease / (Increase) in stocks	325,246	(489,008)
(Increase) in trade and other debtors	(5,941,215)	(365,571)
Increase / (Decrease) in trade and other creditors	12,773,968	(7,493,957)
	<u>14,512,421</u>	<u>(1,532,799)</u>

### 5. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the company, construction. All turnover of £172,841,305 (2018: £136,894,277) was within the United Kingdom.

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	7,867,068	5,130,874
Social security costs	1,328,527	640,613
Other pension costs	388,177	388,969
	<u>9,583,772</u>	<u>6,160,456</u>

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Administration	23	18
Construction	113	86
	<u>136</u>	<u>104</u>

Total key management personnel compensation (including Directors) was £1,134,464 (2018: £1,119,017).

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2019

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

	2019	2018
	£	£
Directors' remuneration	<u>602,108</u>	<u>545,427</u>

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

	2019	2018
	No.	No.
Money purchase schemes	<u>4</u>	<u>4</u>

During the year the company contributed £31,938 (2018: £139,918) towards money purchase pension scheme for the directors.

The highest paid director received pension of £10,000 (2018: £6,900) together with salary and benefits of £192,119 (2018: £209,170), for all services provided to the entity.

The number of Directors who exercised share options in the year totalled none (2018: 1).

### 8. Operating Profit

The operating profit is stated after charging:

	2019	2018
	£	£
Other operating leases	50,876	24,347
Depreciation - owned assets	82,951	74,232
Auditors' remuneration for audit services	<u>50,000</u>	<u>45,000</u>

### 9. Interest Receivable

	2019	2018
	£	£
Interest on corporation tax	<u>238</u>	<u>-</u>

### 10. Interest Payable and Similar Charges

	2019	2018
	£	£
Other interest payable	<u>417</u>	<u>5,158</u>

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2019

### 11. Taxation

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
UK corporation tax	1,315,660	1,201,198
Deferred tax (origination and reversal of timing differences)	(118,955)	19,267
	<u>1,196,705</u>	<u>1,220,465</u>

UK corporation tax has been charged at 19% (2018: 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:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	7,271,292	6,736,347
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	1,381,545	1,279,906
Expenses not deductible for tax purposes	29,239	63,075
Adjustments to tax charge in respect of previous periods	(190,074)	(120,248)
Adjust closing deferred tax to average rate of 19% (2018: 19%)	9,853	(4,143)
Adjust opening deferred tax to average rate of 19% (2018: 19%)	142	1,875
Deferred tax not recognised	(34,000)	-
	<u>1,196,705</u>	<u>1,220,465</u>

Further reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2017, these reduce the standard rate to 17% from 1 April 2020. The deferred tax assets reflect this rate.

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2019

### 12. Dividends

Ordinary shares of £1 each

	2019 £	2018 £
Dividends declared and paid	4,021,000	8,144,169

A further dividend was declared and paid in May 2019 of £1,850,000.

### 13. Tangible Fixed Assets

	Office & Computer Equipment £	Motor Vehicles £	Leasehold Improvements £	TOTAL £
<b>COST</b>				
At 1 April 2018	282,290	50,630	-	332,920
Additions	64,965		151,552	216,517
Disposals	-	(26,330)	-	(26,330)
At 31 March 2019	347,255	24,300	151,552	523,107
<b>DEPRECIATION</b>				
At 1 April 2018	39,025	23,276	-	62,301
Depreciation	78,631	5,522	2,454	86,607
Disposals	-	(5,120)	-	(5,120)
At 31 March 2019	117,656	23,678	2,454	143,788
<b>NET BOOK VALUE</b>				
At 31 March 2018	243,265	27,354	-	270,619
At 31 March 2019	229,599	622	149,098	379,319

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2019

### 14. Stocks

	2019	2018
	£	£
Work in progress	214,166	47,619
Assets held for resale	-	491,793
	<hr/>	<hr/>
Total Stocks	214,166	539,412
	<hr/>	<hr/>

Assets held for resale relates to freehold property that was purchased in October 2017 and sold in October 2018. Stock recognised as an expense totals £13,392,144 (2018: £7,100,279). No impairment losses have been recognised in the current or previous period.

### 15. Debtors

#### Amounts Falling Due Within One Year

	2019	2018
	£	£
Trade debtors	10,591,668	13,408,860
Amounts owed by group undertakings	6,373,183	6,373,093
Amounts recoverable on contracts	12,691,597	3,659,797
VAT	-	381,303
Prepayments and accrued income	266,903	266,077
	<hr/>	<hr/>
	29,923,351	24,089,130
	<hr/>	<hr/>

Amounts recoverable on contracts represents sales invoices issued after 31 March 2019 in respect of work undertaken in the year ended 31 March 2019 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 2019.

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

#### Amounts Falling Due After One Year

	2018	2018
	£	£
Trade debtors	923,369	816,375
Deferred Tax	83,748	-
	<hr/>	<hr/>
	1,007,117	816,375
	<hr/>	<hr/>

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2019

### 15. Debtors: Amounts Falling Due After One Year (continued)

	Deferred tax £
Balance at 1 April 2018 (deferred tax liability)	(35,207)
Charged during year	118,955
	<hr/>
Balance at 31 March 2019 (deferred tax asset)	83,748
	<hr/>

The deferred tax asset predominantly relates to provisions, and approximately £110,500 is expected to reverse in the next 12 months.

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

	2019 £	2018 £
Trade creditors	14,195,773	11,152,456
Taxation	808,361	462,058
Social security and other taxes	332,109	249,262
Other creditors	2,339	6,888
VAT	1,083,447	-
Accruals and deferred income	16,558,771	11,161,489
Amounts payable in relation to long term contracts	4,329,875	3,303,160
	<hr/>	<hr/>
	37,310,675	26,335,313
	<hr/>	<hr/>

Accruals and deferred income includes accrued costs of £15,361,755 (2018: £10,796,742) representing costs of work undertaken at 31 March 2019 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

	2019 £	2018 £
Amounts payable in relation to long term contracts	959,588	631,601

### 17. Pension Costs

The Company operates a defined contribution pension scheme, and amounts unpaid at the period end totals £49,191 (2018: £33,030). Pension costs recognised as an expense totals £388,177 (2018: £388,969).

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2019

### 18. Leasing Agreements

The total of future minimum lease payments fall due as follows:	Non-cancellable operating leases	
	2019 £	2018 £
Within one year	91,912	24,000
Between one and five years	261,123	19,912
More than five years	333,173	-
	686,208	43,912

Lease payments recognised as an expense total £50,876 (2018: £24,347).

### 19. Financial Instruments

	2019 £	2018 £
<b>Financial Assets</b>		
Financial assets that are debt instruments measured at amortised cost	30,579,817	24,258,127
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	38,946,714	26,255,594

Financial assets measured at amortised cost comprise of trade debtors, accrued income, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, deferred income, amounts recoverable on long term contracts, provisions for loss making contracts, accrued costs and other creditors.

### 20. Provisions for Liabilities

	2019 £	2018 £
Deferred tax	-	35,207
Lease reinstatement	10,000	10,000
Onerous Contracts	1,816,922	-
	1,826,922	45,207

See note 15 for deferred tax movement.

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2019

### 21. Called Up Share Capital

Allotted, issued and fully paid

	Nominal value	2019 £	2018 £
<b>Number</b>			
360,000 Ordinary shares	£1	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.

### 22. Related Party Disclosures

See note 6 for disclosure of key management personnel remuneration.

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 (2018: £150,688) to Vantage (2009) SSAS, a pension fund in which certain directors are also members.

At the balance sheet date, the amount due to Vantage (2009) SSAS was £7,200 (2018: £7,200).

During the year the amounts invoiced to Readie Construction Limited were £24,000 (2018: £24,000) included in the statement of comprehensive income.

Balance 01/04/2018	Invoiced in the year	Payments in the year	Balance 31/03/2019
£7,200	£48,800	(£48,800)	£7,200

#### H J S Limited

During the year, the company paid £57,453 (2018: £49,215) 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 balance sheet date, the amount due to H J S Limited was £3,332 (2018: £9,125) included under trade creditors.

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2019

### 22. Related Party Disclosures (continued)

During the year the amounts invoiced to Readie Construction Limited were £43,050 (2018: £47,843) included in the statement of comprehensive income.

Balance 01/04/2018	Invoiced in the year	Payments in the year	Balance 31/03/2019
£9,125	£51,660	(£57,453)	£3,332

#### Readie Group Limited

Readie Group Limited was the immediate parent entity of Readie Construction Limited. At 31 March 2019 the balance owed by Readie Group Limited was £Nil (2018: £6,349,950). Readie Group Limited was voluntarily liquidated in September 2018. All balances transferred to Readie Management Limited.

#### Readie Management Limited

At 31 March 2019 the Company was owed £6,373,183 (2018: £23,143) by Readie Management Limited, the ultimate parent company.

These intercompany loan balances are unsecured and repayable on demand. These balances are included in notes 15 and 16 above.

#### Vengeance Investments Limited

During the year, the company paid £31,769 (2018: £Nil) 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 balance sheet date, the amount due to Vengeance Investments Limited was £21,600 (2018: £Nil).

During the year the amounts invoiced to Readie Construction Limited in respect of rent costs was £44,867 (2018: £Nil).

#### Ram Web Solutions Limited

During the year, the company paid £6,730 (2018: £6,820) to RAM Web Solutions Limited, a company in which a director, Mr M Stephens holds 50% of issued share capital and is the brother of Mr P M Stephens and MR D I Stephens, Directors of Readie Construction Limited.

At the balance sheet date, the amount due to RAM Web Solutions Limited was £600 (2018: £1,260) included under trade creditors.

During the year the amounts invoiced to Readie Construction Limited were £6,070 (2018: £7,220) included in the statement of comprehensive income.

# Readie Construction Limited

## Notes to the financial statements For the year ended 31 March 2019

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### 23. Ultimate Controlling Party

Readie Management Limited is the ultimate 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 joint controlling parties are G.S. Read and P.M. Stephens.