REGISTERED NUMBER: 01534913 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

FOR

MULALLEY & CO LIMITED

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FOR THE YEAR ENDED 31 MARCH 2022

MULALLEY & CO LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022

DIRECTORS:	E O'Malley Esq V O'Malley Esq Ms T Taylor
SECRETARY:	E O'Malley Esq
REGISTERED OFFICE:	Teresa Gavin House Woodford Avenue Woodford Green Essex IG8 8FA
REGISTERED NUMBER:	01534913 (England and Wales)
AUDITORS:	BARNES ROFFE LLP Chartered Accountants and Statutory Auditor Leytonstone House Leytonstone London E11 1GA

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Directors present their strategic report on the Company for the year ended 31 March 2022.

PRINCIPAL ACTIVITY
The principal activities of the Company in the year under review were Residential Development, Design and Build and Traditional Construction, Property Refurbishment and Property Maintenance Services. The Company's development activities are carried out both on its own account and through joint ventures.

STRATEGIC REVIEW
The 2021/22 trading year has again proved to be one of many extraordinary challenges. The issues caused by the Covid pandemic continued throughout the year with consequent impacts on efficiency and the prompt administration of projects. In the latter part of the year trading conditions were further impacted by the unforeseen Ukrainian conflict which caused energy and supply chain disruption resulting in levels of inflation not seen for decades. The extent and duration of this period of inflation are still to be established and it's effects on our future years of trading are still not fully realised, although the business has acted promptly to minimise and wherever possible avoid consequent risks.
In addition, during this year we have seen a deliberate attempt by the government to absolve itself from it's demonstrated failings as the regulator of our industry over the past decades. Patently a solution was required to protect innocent leaseholders from any fire risks and the costs of rectifying their homes but attempts by the government to ignore its' own culpability and lay it solely at the doors of the developer or constructor who were only part of the process is simply a travesty of justice. Fortunately, we have been working with many clients who have sought an amicable resolution of these issues but we have also made suitable financial provisions for any arising liabilities.
Despite the above the Directors are pleased to report another year of satisfactory trading for the Company. We continue to trade profitably with contracts continuing to be secured at levels of return commensurate with our trading targets.

Our continuing investment in our people, our processes and the community was reflected in the number of major contract awards and framework successes secured for the Company.

Most of our developments and our contracted construction works remain on programme although since the start of the Ukrainian conflict a shortage of material and labour has resulted in some disruption and increased costs.
The Company's Local Authority clients continued to increase their development plans which provided several major project wins over the period and this market is increasingly important to our future New Build construction workload. Viability of these schemes has often proven to be an issue but with our design and construction expertise we are working with many of these clients to monitor their costs and find cost efficiencies to enable the schemes to continue.
Our Planned Maintenance and Residential Refurbishment divisions also secured several large and long-term Public Sector contracts which reflects the standing of those divisions in their sectors.
We believe our mix of businesses supported by our strong balance sheet, strong cash position and secured forward workload places us in an excellent position to benefit as these current headwinds fall away.

FINANCIAL REVIEW
Despite these many extraordinary challenges and disruptions of 2021/22, the Board is delighted to report the Company delivered on all its commitments, maintained very high levels of client satisfaction and achieved a strong sets of results for the year. Turnover increased by 26.51% to £175.9 million (2021 £139 million) but most importantly for the Board the Company achieved an above industry average operating profit of £6.7 million a margin of 3.8% (2021 £2.9 million). These results again reflect the Board's long-standing policy to only pursue developments and contracts which satisfy our risk-return requirements, to monitor and always be aware of our costs and to continually seek operational efficiencies.

The Company's financial position was however impacted by the Boards decision to make a financial provision of £9.98 million to meet legacy costs. The Board believes it is appropriate to make this provision at this time, in accordance with prevailing accounting standards. The impact of this provision has resulted in a reported loss for 2021/22, which has the effect of reducing the Company's balance sheet by £2.8 million in net assets to £48.9 million (2021 £51.7 million). At the year end, the Company had a cash positive position of £14.8 million (2021 £6.3 million). During the year, the Company renegotiated its credit facilities with NatWest Bank PLC cancelling its existing unused £25 million RCF and arranging a new overdraft facility of £8 million which has remained unused.

The Company remains successful at replenishing its forward order book and at the 31 March 2022 this was a respectable £903 million. The Company recognises the benefits of growth but will not seek growth if it increases trading risk or harms its historic levels of profitability.

Key Performance Indicators

The Directors use financial measures such as turnover, profitability margins and levels of secured workload to monitor the Company's performances as these are considered the main drivers of the Company's continued success. Turnover and profitability margins are measured on the same basis as set out in the Income Statement and considered in the financial review above.

In addition, the Directors consider non-financial indicators. These include monitoring safety performance (which remains far above the industry average), client satisfaction levels (which are positively reflected in our reputation and in the levels of repeat and negotiated works across all divisions) and our client's Residents satisfaction levels from our Maintenance/Decent Homes works with less than 0.01% complaints when on average we work on 2500 homes at any one time and our continuing high levels of staff retention.

BUSINESS STRATEGY

The Directors' long-term strategy is to continue its primary focus on developing, contracting and partnering with the public sector or public sector related clients across a range of workstreams to provide a steady foundation for our businesses and for our future growth. We believe this policy has been validated by current and previous results and by the ongoing numbers of opportunities that continue to flow from that sector.

We intend to remain risk aware and refuse contracts which do not provide financial returns commensurate with the expertise, investment and resources we employ. The Directors intend to keep our pricing and risk management policies under constant review. The Directors regularly review other public-sector construction opportunities and while we intend to remain a predominately residential based contractor we always consider and undertake non - residential projects if the risk/reward profile is acceptable.

The Company has proven strengths, an excellent reputation and a wide spread of work streams from its own developments; its partnerships and its public sector clients. These work streams are both capital and revenue funded and this allows us to react quickly to any policy changes by government and to reduce any recessionary influences on our business. Further with our considerable balance sheet strength we are well positioned to meet any financial concerns of our clients and our supply chain.

Our strong financial position also enables the Board to continue to invest considerable sums in ICT, innovation and in the ongoing skills and training of our workforce. The results of this policy are clearly seen in our retaining "Gold" status as Investors in People, our annual intake of over 25 trainees and apprentices, our ongoing training partnership with the Chartered Institute of Builders (CIOB) and Oxford Brookes University. Environmental concerns are also very important to the Board so we were delighted that our business and our construction activities achieved carbon neutrality for the seventh year in succession and the work of our environmental team recognised as the first company to become ESOS (Energy Savings and Opportunities Scheme) Phase 2 compliant. Safety remains of the highest importance to the Board and this ongoing emphasis was again seen in our excellent safety record reflected in our 30th International Safety Council award and by receiving the RoSPA President's Award Gold accreditation for the 13th successive year.

To operate in London also requires us to be considerate of our neighbours and the community in which we work. This community ethic is demonstrated by the retention of our Silver level accreditation for the Fleet Operator Recognition (FORS) a voluntary scheme for the safe operation of our vehicles in London and for the Construction Logistics and Community Safety recognition (CLOCS) a similar transport initiative promoting good practice beyond basic legal compliance. We continue to incorporate social value at the heart of our business supporting many local community initiatives and investing considerable sums and effort in the training and education of the next generations.

BUSINESS ENVIRONMENT

The 2021/22 marketplace was again disrupted, initially by the ongoing repercussions of the Covid pandemic, Brexit and latterly by the disruptions accompanying the Ukraine conflict. Fortunately, due to our diverse workstreams and the resources of our business, we were able to minimise most of their negative impacts although they continue to be genuine risks to our future trading. Enquiries across all business streams remained strong and expectations are that this will continue for 2022/23 and beyond. It is too early to say if current inflationary pressures will continue in the next trading year or if we will soon return to more normal pricing. The Directors continue to view the London residential market as one of cyclical opportunity and suitable for ongoing capital investment albeit stability is unlikely to return to the market next year.

Public sector procurement is no longer governed by the Official Journal of European Union (OJEU) regulations, but the Government has implemented a similar system again requiring we meet a detailed and comprehensive set of criteria before we may tender for works. To save time and administration costs most public-sector clients implement these regulations by pre-qualifying a limited number of providers as an approved panel. These panels/frameworks are normally of a minimum four-year duration and they provide sole access to most public sector construction and major refurbishment programmes, so it is very important for our business to be included on as many of these as is possible. Mulalley undertakes the Group's New Build Construction, Planned Maintenance and Refurbishment works and represents the Group on more than 50 public sector developer, construction and maintenance panels.

New Build Construction

Company's New Build division primarily contracts for Local Authorities and other public sector organisations as well as undertaking construction work for Sherrygreen Homes. It also undertakes joint venture residential developments for its public sector partners. It is currently on site with schemes for Barking and Dagenham, Hackney, Islington, Tower Hamlets, Transport for London and other social housing landlords such as Peabody, Southern Housing, One Housing, Optivo and Watford Housing Trusts.

These schemes and further successes not yet commenced on site has given New Build Construction a pipeline of more than 1500 new homes to build over the next four years. Our enquiry rates continue to be very strong so further successes are expected.

The Board remains very aware of the risks inherent in the traditional construction process. As highlighted in previous years, the standards of construction and the technical complexity of the buildings we produce continue to evolve to meet the design expectations and increased environmental and safety requirements of our clients and planning authorities. Therefore, despite a potential slowing of sales rates and reduction in sales values we expect a degree of cost inflation to continue to reflect this additional work as the industry chases the limited resources necessary to deliver these more complex and riskier projects. This shortage of resources also increases the contracting risk as most traditional or design and build contracts regrettably and short-sightedly seek to place such risk firmly with the contractor. This risk factor is currently greater than normal as these and other exceptional events such as the Ukraine conflict has increased inflationary pressures.

Shortfalls in the design sector lead the Company to invest in additional architectural and services designers to work with external consultants to ensure the compliance of our projects. This investment continues.

The Board continues to review its exposure to "design and build" construction contracts preferring partnerships based on open book, or two stage tenders. Such contracts allow us the opportunity to introduce value engineering and other efficiencies to benefit ourselves and our clients. This policy has proven very successful with many clients complementing our teams on their ability to deliver the highest quality product and provide value for money solutions - especially when their budgets are under cost pressure. Importantly these relationships also allow the flexibility to reduce or avoid potential cost increases and manage the delivery programmes of those long-term projects which are at greatest risk from supply chain price increases and pleasingly, as reflected in our contract awards we are now seeing greater numbers of informed clients seeking to work cooperatively with us to the benefit of their projects.

Planned Maintenance, Decent Homes and Residential Refurbishment
Mulalley has two trading divisions operating in this sector, "Planned Maintenance" and "Construction". Both divisions traded successfully over the period as Clients restarted their regular maintenance workstreams and commenced several fire/cladding remedial works contracts. Pleasingly, core/traditional enquiries continue strongly with new workstreams in education proving a success for the business and we expect this sector to be an increasing part of the business.

Joint Venture Developments
The Company has several joint ventures with Public Sector partners including One Housing Group and Peabody and actively seeks further opportunities.
During the year construction progressed on our project, Montmorency Park, in New Southgate, Enfield where Mulalley in partnership with One Housing Group are developing 517 new homes, 1,438 sqm of commercial space and a hotel over 6 phases. Phase 1, 2 and 3 comprising of 249 residential units, hotel and commercial space have been delivered and sold successfully. Phase 4 of the scheme comprising of 110 residential units is underway and due to complete in July 2024. The final phases 5 and 6 are due to commence on site in April 2023.
The Company has a second joint venture with One Housing Group for the regeneration of the Granville Road Estate in Golders Green, Barnet to provide 86 new houses and apartments for market sale and 46 shared ownership apartments. Work on site commenced in July 2019 and the sales launch is due to commence in July 2022 which is expected to generate a lot of interest.
The Company has another joint venture with the Peabody Trust to redevelop a former school site, Amersham Vale, to provide 120 new homes for market sale and affordable housing in Deptford, South East London. The location and the built quality of the units generated unusually high interest leading to an extremely high reservation rate with more than 80% now sold.

PRINCIPAL RISKS AND UNCERTAINTY

Changes to Government Policies and Brexit
The effects of the Covid-19 pandemic, Brexit and inflation may have implications on our future levels of trading and our costs and if not managed correctly, profitability. Our experience of the numerous macro-economic crisis and recessions over our previous 50 years of trading is that some areas of spending will be reduced while other sectors will expand and most spikes in costs tend to be short term in nature until new resources or new capacity enters the market. However, we are not complacent and will continually monitor and assess any risks which may develop. Fortunately, with our very strong financial position and the breadth and long-term nature of much of our workload we are well positioned to cope with any changes and react as necessary.
Our policy remains not to vary our existing strategies and to continue to seek to minimise any potential harm to our business by only investing in development opportunities which meet our risk profiles and our strategy.
Our long-term policy of investing in freehold and commercial property continues to provide a solid and secure basis for our business with long term tenants underpinning these investments providing excellent covenants and a strong rent roll.

The Directors believe our strong financial position, secured workload, high levels of future opportunities and our investment properties portfolio will generate considerable revenue and future profit. We intend to continue our ongoing policy of reinvesting these monies in our people, our equipment and in financing our Company's development.

Project Delivery
Our sector already suffers from a shortage of trained staff, managers and operatives with the latter primarily sourced from other EU countries. We expect this position will remain until the Government puts in place its long-term policies on immigration. We will monitor this position regularly and continue our considerable investment in training and development of the community in which we work to seek to mitigate any adverse impacts from this.

Liquidity Risk
The Company's ability to secure and deliver work depends on its perceived financial strength and the availability of cash resources. The Company monitors its cash flow requirement to ensure adequate reserves are maintained to fund the growth strategies. The Company has in place a £8 million overdraft facility to help manage short-term fluctuations in working capital. The Board maintains a close working relationship with its lenders.

Inflation
Most economic indicators point to a period of unusually high inflation which is likely to remain for between 18 months or 2 years or until the exceptional issues driving this are remedied and we can return to the 2% government target rate. We will regularly review and assess the likelihood, pace and scale of any movement in inflation and put in place suitable corrective measures.

CORPORATE SOCIAL RESPONSIBILITY
The Company is committed to providing a safe and happy environment for our clients, employees, partners and people in the communities in which we operate and continuously review our policies to ensure we meet their needs.
The Board is proud to confirm that we have again proven our commitment to excellence in our corporate governance by achieving BSI certifications across our portfolio of UKAS accredited ISO management systems. BSI have recertified us for a further three years for our ISO9001:2015 Quality Management; ISO14001:2015 Environmental Management; ISO45001:2018 (SSIP) Occupational Health and Safety Management; and ISO50001:2018 Energy Management Systems. These certifications are internationally recognized and represent quality, reliability, and continual improvement, and are powerful business improvement tools that assist us in our quest for continuous improvement and enable us to be a more robust and resilient organisation.

Streamlined Energy and Carbon Report (SECR)
The Company is extremely focussed on its environmental responsibilities and remains committed to meeting the needs of the present without compromising the ability of future generations to meet their own needs. We have maintained our carbon neutral status for the seventh consecutive year. In the year we have again offset more emissions than we produced, enabling us to continue being Carbon Neutral. Unavoidable carbon emissions have been offset by supporting four projects from around the world, which reduce global emissions by more than an equivalent amount to that emitted by the company.
In line with SECR regulations, the Company's Greenhouse Gas (GHG) has been assessed following the ISO 14064-1:2018 standard and has used the 2021 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The table below summarises the GHG emissions for reporting year 2021/22.

Scope	Activity	Location-based tCO_2e	Market-based tCO_2e
Scope 1	Site gas	79.45	79.45
	Site Diesel (retail)	7.94	7.94
	Vehicle fuel usage	250.83	250.83
Scope 1 Sub Total		338.22	338.22
Scope 2	Electricity generation	311.49	185.90
Scope 2 Sub Total		311.49	185.90
Scope 3	Employee-owned car travel (grey fleet)	392.66	392.66
	Well To Tank	271.73	224.62
	Electricity transmission & distribution	27.57	12.86
Scope 3 Sub Total		691.95	630.13
Total tonnes of CO_2e		**1,341.66**	**1,154.25**
Tonnes CO_2e per £M turnover		**7.74**	**6.66**
Total Energy Consumption (kWh)*		**4,765,320**	

* Total Energy Consumption includes UK Electricity, UK Site Gas, Company Owned Vehicles and Employee-owned vehicles (grey fleet).

Since last year, our total greenhouse gas emissions have increased, although we have reduced our overall emissions by 35.1% from our baseline year of 2016/17. The increase is a result of the effects of the global COVID-19 pandemic causing less disruption to our business last year and an increase in projects being delivered and subsequently turnover. Emissions have not increased back up to pre-pandemic levels (bearing in mind that Well-To-Tank emissions were first assessed in 2020/21). We continue to increase our electricity being sourced from renewable energy, which is now up to 66.7%, with another 5.4% from nuclear sources. Due to a change in our company car policy, we have moved a number of staff off the company car scheme and into the grey fleet category and we have seen an increase in staff purchasing electric vehicles. We have also increased the number of our ECO units on our sites and enhanced our ICT infrastructure, which have been our main energy efficiency improvements in the last year.
We have offset a further 1,155 tonnes of CO2 this year, through investing in four project(s) that are verified against the Gold Standard VER / Verified Carbon Standard. Our business has therefore maintained Carbon Neutrality, now having offset a combined overall total of 10,605 tonnes.

Activity	2nd Previous Year 2019/20[1]	Previous Year 2020/21	Current Year 2021/22
Total energy consumed (kWh)	5,868,663	3,946,887	4,765,320
Total Gross Location-Based Emissions (all scopes) (tCO_2e)	1,447.88	908.82	1,341.66
Total Gross Market-Based Emissions (all scopes) (tCO_2e)	**n/a**	**690.02**	**1,154.25**
Renewable electricity generated & exported to national grid or third-party (tCO_2e)	None	None	None
Carbon offsets (tCO_2e)	1,450	1,000	1,155
Total Net Market-Based Emissions (tCO_2e)	**-2.12[2]**	**-309.98**	**-0.75**
Intensity ratio: tCO_2e (gross Scope 1 & 2, market-based) per £M revenue	10.63[2]	5.96	3.02

Our Environmental and Energy Management systems are embedded within our corporate governance systems, with strong performance management and analysis to ensure we continuously improve, meet our objectives and manage our risks and opportunities.

Social Value

Social Value is an important element of who we are and throughout the year the Company normally donates time and resources to support the communities where we work both via direct financial support such as donations to support Community Open days and initiatives. With the Covid pandemic most of these opportunities were cancelled or postponed. We replaced these by increasing our other community support programmes such as donating time and materials to local groups with a social purpose such as food banks, nurseries or elderly person facilities.

Supply Chain

The Board recognises the significance of maintaining and developing strong and positive relationships with its supply chain partners which help us to be an employer of choice. We monitor our subcontractors' performance against set criteria and provide them with constructive feedback. Where possible we use local resources to ensure we harness innovation, achieve consistent quality and meet our responsible business goals.

Health & Safety Environment

The Company is involved in activities and environments that have potential to cause injury to its employees, subcontractors, customers or members of the public as well as potentially damage property or the environment. The health and safety of people is the primary focus of the business. In order to control risk and prevent harm, the Company is focused on achieving the highest standards of health and safety management. This is achieved by establishing efficient and clear health and safety procedures which are ISO 45001 approved and ensuring that strong leadership and organisational arrangements are in place to operate these. We achieved an internationally recognised RoSPA President's (12 consecutive Golds) Award for demonstrating high health and safety standards.

A strong and empowered Health and Safety Committee meets regularly to review our processes and record their effectiveness on our sites and in our offices. The committee also updates and publishes to our staff and supply chain any changes to legislation, industry concerns and best practice via meetings and our company intranet. Health and safety performance is regularly reviewed by the Board and senior management.

Employees Policy

The Company has a policy to keep employees informed on issues which may affect or impact on their employment. This information is disseminated via our regular staff magazine "Insight", our intranet and internal departmental meetings. It is the Company's policy that equal opportunity and career development are available to all irrespective of gender, age, nationality, ethnic origin, religion, marital status or disability. The Company complies with current legislation with regard to disabled persons and gives full and fair consideration to their employment, training and career development. Persons who become disabled whilst in the employ of the Group are encouraged and assisted, whenever practicable, to enable continuity in their employment with retraining where appropriate. The Company does not tolerate sexual, mental or physical harassment in the workplace.

ON BEHALF OF THE BOARD:

Eamon OMalley
Eamon OMalley (Jul 26, 2022 17:41 GMT+1)

E O'Malley Esq - Director

26 July 2022

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

DIVIDENDS
The total distribution of dividends for the year ended 31 March 2022 was £Nil.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

E O'Malley Esq
V O'Malley Esq
Ms T Taylor

DISCLOSURE IN THE STRATEGIC REPORT
The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report.

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 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to made himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS
The auditors, BARNES ROFFE LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Eamon OMalley
Eamon OMalley (Jul 26, 2022 17:41 GMT+1)

E O'Malley Esq - Director

26 July 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MULALLEY & CO LIMITED

Opinion

We have audited the financial statements of Mulalley & Co Limited (the 'company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 2022 and of its loss 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page nine, 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 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.

Auditors' 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 a Report of the Auditors 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.

Irregularities, including fraud are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with law and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussion with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- The specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and FRS102;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- Laws and regulations were communicated within the audit team at the planning meeting, and during the audit as any further laws and regulation were identified. The audit team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- Making enquires of management as to where they consider there was susceptibility to fraud and their knowledge of actual suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- Reviewing the financial statements and testing the disclosures against supporting documentation;
- Performing analytical procedures to identify any unusual or unexpected trends or anomalies;
- Inspecting and reviewing journal entries to identify unusual or unexpected transactions;
- Assessing whether judgement and assumptions made in determining significant accounting estimates were indicative of management bias; and
- Investigating the rationale behind significant transactions, or transactions that are unusual or outside the company's usual course of business

The areas that we identified as being susceptible to misstatement through fraud were:

- Management bias in the estimates and judgements made;
- Management override of controls; and
- Posting of unusual journals or transactions.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MULALLEY & CO LIMITED

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Adam Dodds

Adam Dodds (Senior Statutory Auditor)
for and on behalf of BARNES ROFFE LLP
Chartered Accountants
and Statutory Auditor
Leytonstone House
Leytonstone
London
E11 1GA

26 July 2022

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £'000	2021 £'000
TURNOVER	3	**175,870**	139,012
Cost of sales		**(158,446)**	(126,327)
GROSS PROFIT		**17,424**	12,685
Administrative expenses		**(10,849)**	(10,034)
		6,575	2,651
Other operating income		**103**	244
OPERATING PROFIT	6	**6,678**	2,895
Exceptional items	7	**(9,979)**	-
(LOSS)/PROFIT BEFORE TAXATION		**(3,301)**	2,895
Tax on (loss)/profit	8	**459**	(555)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		**(2,842)**	2,340
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(2,842)**	2,340

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 MARCH 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
FIXED ASSETS					
Intangible assets	10		**379**		-
Tangible assets	11		**560**		453
			939		453
CURRENT ASSETS					
Stocks	12	**34,098**		39,408	
Debtors	13	**86,420**		62,224	
Cash at bank		**14,823**		6,341	
		135,341		107,973	
CREDITORS					
Amounts falling due within one year	14	**77,439**		56,722	
NET CURRENT ASSETS			**57,902**		51,251
TOTAL ASSETS LESS CURRENT LIABILITIES			**58,841**		51,704
PROVISIONS FOR LIABILITIES	16		**9,979**		-
NET ASSETS			**48,862**		51,704
CAPITAL AND RESERVES					
Called up share capital	17		**110**		110
Retained earnings	18		**48,752**		51,594
SHAREHOLDERS' FUNDS			**48,862**		51,704

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 2 6 July 2022 and were signed on its behalf by:

Eamon OMalley
Eamon OMalley (Jul 26, 2022 17:41 GMT+1)

E O'Malley Esq - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2020	110	57,754	57,864
Changes in equity			
Dividends	-	(8,500)	(8,500)
Total comprehensive income	-	2,340	2,340
Balance at 31 March 2021	110	51,594	51,704
Changes in equity			
Total comprehensive income	-	(2,842)	(2,842)
Balance at 31 March 2022	110	48,752	48,862

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. STATUTORY INFORMATION

Mulalley & Co Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £1,000.
The financial statements have been prepared on the going concern basis as, in the opinion of the directors, it is expected that funding from the company's bankers, group undertakings and other creditors will continue.

Financial Reporting Standard 102 - reduced disclosure exemptions
The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of paragraph 33.7.

Preparation of consolidated financial statements
The financial statements contain information about Mulalley & Co Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Sherrygreen Limited, whose registered office is: Teresa Gavin House, Woodford Avenue, Woodford Green, Essex, IG8 8FA.

Entities in which the Company holds an interest and which are jointly controlled by the Company and one or more other venturers under a contractual arrangement are treated as joint arrangements. In the company's financial statements, joint arrangements are accounted for using the proportional accounting method.

Related party exemption
The company has taken advantage of the exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

 continued...

2. **ACCOUNTING POLICIES - continued**

Significant judgements and estimates
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

Significant judgements and estimates - Deferred tax
Management estimation is required to determine the amount of deferred tax assets and liabilities that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Significant judgements and estimates - Carrying value of work in progress
Stocks and finished goods include work in progress in respect of development sites. On each development judgement is required to assess whether the cost of any associated work in progress is in excess of its net realisable value. Work in progress is initially recognised at cost and the company undertakes regular reviews to consider whether any impairment to the balance is considered necessary.

Significant judgements and estimates - Operating lease commitments
The Company has entered into commercial property leases as a lessee under which it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Turnover
Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, VAT and other sales taxes or duty.

Construction contracts
Turnover for construction contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years.
The stage of completion is measured by reference to cost incurred to date as a percentage of total construction cost for each contract.
The amount of profit attributable to the stage of completion of a long term contract is only recognised when the outcome of the contract can be foreseen with reasonable certainty. Where the contract outcome cannot be measured reliably, turnover is recognised only to the extent of the costs recognised that are recoverable.
Provision is made for any losses as soon as they are foreseen.
Unbilled revenue is included as amounts recoverable on contracts within debtors.

Rental income
Rental income is rent receivable and recognised on accrual basis.

Interest income
Interest income is recognised as interest accrued using the effective interest method.

 continued...

2. **ACCOUNTING POLICIES - continued**

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of five years.

Tangible fixed assets
Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Fixtures and equipment - 15% per annum on reducing balance basis
Computer equipment - 20% per annum on cost

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Government grants
Grants are accounted under the accruals model as permitted by FRS 102. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

Stock and work in progress
Stock and work in progress are stated at lower of cost and net realisable value. Cost is based on the production cost which comprises materials, direct labour and attributable production overheads. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.
Property developments in the course of construction are carried at cost as part of work in progress until such time as the property is complete.
Development land stock is stated at the lower of cost and net realisable value. Cost comprises the purchase price of land together with all attributable expenditure incurred in making ready the site for development.

Current taxation
Taxation for the year comprises current and deferred tax. Current or deferred taxation assets and liabilities are not discounted.
Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

continued...

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Hire purchase and leasing commitments

Rentals payable under operating leases are charged in the income statement account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Pension costs and other post-retirement benefits

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

continued...

2. **ACCOUNTING POLICIES - continued**

Joint arrangements

The company has certain contractual arrangements with other participators to engage in joint activities through special purpose vehicles. Whilst the special purpose vehicles are incorporated entities, the rights to assets and liabilities per the contractual arrangements are held by the participators, and therefore accounting under the equity method within the provisions of FRS 102 Section 15 Joint Ventures would not be considered to represent a true and fair view. In consideration of the substance of the arrangement over the form, and to provide a true and fair view in these financial statements, the company has adopted provisions under IFRS 11 (as permitted by FRS 102) and as such has accounted for its interests in these joint arrangements by recognising:-

(a) its assets, including its share of any assets held jointly;
(b) its liabilities, including its share of any liabilities incurred jointly;
(c) its revenue from the sale of its share of the output arising from the joint arrangement;
(d) its share of the revenue from the sale of the output by the joint arrangement; and
(e) its expenses, including its share of any expenses incurred jointly.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. **TURNOVER**

The turnover and loss (2021 - profit) before taxation are attributable to the one principal activity of the company.

All turnover arose within the United Kingdom.

4. **EMPLOYEES AND DIRECTORS**

	2022	2021
	£'000	£'000
Wages and salaries	**29,287**	27,461
Social security costs	**3,277**	3,011
Pension costs	**956**	912
	33,521	31,384

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

	2022	2021
Operations	**422**	420
Administration	**97**	97
	519	517

continued...

5. DIRECTORS' EMOLUMENTS

	2022	2021
	£	£
Directors' remuneration	673,936	680,194
Directors' pension contributions to money purchase schemes	19,500	19,500

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

Money purchase schemes	3	3

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	231,617	230,417
Pension contributions to money purchase schemes	6,500	6,500

6. OPERATING PROFIT

The operating profit is stated after charging:

	2022	2021
	£'000	£'000
Hire of plant and machinery	5,228	4,011
Depreciation - owned assets	219	166
Computer software amortisation	95	-
Auditors' remuneration	51	35
Government grants	305	2,055

7. EXCEPTIONAL ITEMS

	2022	2021
	£'000	£'000
Exceptional items	(9,979)	-

The exceptional items represents the financial provision to meet legacy costs. Given the size and nature of the provision, it is considered as an exceptional item and presented separately to provide users with a clear presentation of the underlying financial performance of the Company. There is still uncertainty in terms of timing for this payment.

continued...

8. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	2022	2021
	£'000	£'000
Current tax:		
UK corporation tax	(459)	555
Tax on (loss)/profit	(459)	555

UK corporation tax has been charged at 19% (2021 - 19%).

Reconciliation of total tax (credit)/charge included in profit and loss

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

	2022	2021
	£'000	£'000
(Loss)/profit before tax	(3,301)	2,895
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(627)	550
Effects of:		
Expenses not deductible for tax purposes	141	121
Capital allowances in excess of depreciation	(48)	(26)
Group relief	75	(90)
Total tax (credit)/charge	(459)	555

Factors affecting future tax charges:

The tax rate for the current year is set at 19%.

9. DIVIDENDS

	2022	2021
	£'000	£'000
Ordinary shares of £1 each		
Paid	-	8,500

continued...

10. INTANGIBLE FIXED ASSETS

	Computer software £'000
COST	
Additions	**474**
At 31 March 2022	**474**
AMORTISATION	
Amortisation for year	**95**
At 31 March 2022	**95**
NET BOOK VALUE	
At 31 March 2022	**379**

11. TANGIBLE FIXED ASSETS

	Fixtures & equipment £'000	Computer equipment £'000	Totals £'000
COST			
At 1 April 2021	**883**	**2,152**	**3,035**
Additions	**-**	**326**	**326**
At 31 March 2022	**883**	**2,478**	**3,361**
DEPRECIATION			
At 1 April 2021	**838**	**1,744**	**2,582**
Charge for year	**6**	**213**	**219**
At 31 March 2022	**844**	**1,957**	**2,801**
NET BOOK VALUE			
At 31 March 2022	**39**	**521**	**560**
At 31 March 2021	45	408	453

12. STOCKS

	2022 £'000	2021 £'000
Stocks and work in progress	**34,098**	39,408

continued...

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Trade debtors	27,075	14,344
Amounts recoverable on contracts	20,447	16,017
Amounts owed by group undertakings	37,838	30,815
Corporation tax recoverable	479	-
Social security and other taxes	53	12
Other debtors	122	778
Prepayments	406	258
	86,420	62,224

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Trade creditors	3,075	2,217
Tax	-	555
Social security and other taxes	4,334	5,150
Other creditors	1,368	4,189
Amounts due to group undertakings	2,266	657
Deferred income	14,032	10,701
Accrued expenses	764	845
Accrued costs on construction contracts	51,600	32,408
	77,439	56,722

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£'000	£'000
Within one year	56	153
Between one and five years	59	-
	115	153

16. PROVISIONS FOR LIABILITIES

	2022	2021
	£'000	£'000
Other provisions	9,979	-

The provisions recorded in the accounts are related to the legacy costs. The Board believes it is appropriate to make this provision at this time, in accordance with prevailing accounting standards.

continued...

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £'000	2021 £'000
110,000	Ordinary	£1	110	110

The ordinary share capital carries full voting rights in respect of dividends and capital and to participate in a distribution.

18. RESERVES

Retained earnings
The retained earnings reserves include all current and prior period retained profits and losses, net of dividends paid and other adjustments.

19. ULTIMATE PARENT UNDERTAKING AND RELATED PARTIES

The company's ultimate parent undertaking and ultimate controller is Sherrygreen Limited, a company registered in England. The consolidated group accounts of Sherrygreen Limited can be obtained at Companies House.
The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' not to disclose related party transactions with wholly owned subsidiaries within the group.

20. JOINT ARRANGEMENTS

At the year end, the company held a 50% interest in New Ladderswood LLP and New Granville LLP, limited liability partnerships registered in England, which have been incorporated for the specific purpose of a joint arrangement.