

REGISTERED NUMBER: 05258424 (England and Wales)

**Directors' Report and
Unaudited Financial Statements for the Year Ended 31 March 2022
for
Explore Capital Limited**



Explore Capital Limited (Registered number: 05258424)

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for the Year Ended 31 March 2022**

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Explore Capital Limited
Company Information
for the Year Ended 31 March 2022

DIRECTORS:

R C Baker
J F Edmondson

SECRETARY:

R E Turner

REGISTERED OFFICE:

Bridge Place
Anchor Boulevard
Admirals Park, Crossways
Dartford
Kent
DA2 6SN

REGISTERED NUMBER:

05258424 (England and Wales)

**Directors' Report
for the Year Ended 31 March 2022**

The Directors present their Directors' Report together with the unaudited Financial Statements of Explore Capital Limited (the "Company") for the year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company in the year under review were those of property development and holding subsidiary undertakings.

BUSINESS REVIEW

The Company is a wholly owned subsidiary of Laing O'Rourke Plc and a member of the Laing O'Rourke Corporation Limited Group (the "Group") that is domiciled in England and Wales. The results for the year are set out in the Income Statement on page 5.

Revenue for the year was £nil (FY21: £72,000). The profit before tax was £32,000 (FY21: loss of £665,000), and the profit for the financial year was £32,000 (FY21: loss of £665,000). Total shareholders' deficit of the Company at 31 March 2022 were £46,174,000 (FY21: deficit of £46,206,000).

The profit in the year was predominantly generated by intercompany impairments of amounts previously considered irrecoverable. There is no further revenue stream from the provision of support services to the Private Finance Initiative ("PFI") joint ventures. This is consistent with the Group's reducing investment in the PFIs.

The Directors of Laing O'Rourke Corporation Limited manage financial risks, for the Group as a whole, rather than as individual entities. For this reason, the Company's Directors believe that analysis of the Company's risks should be viewed in the context of the Group. The principal risks and uncertainties of Laing O'Rourke Corporation Limited, which includes the Company, are discussed in the Group's Annual Report and Consolidated Financial Statements (which are available publicly at www.laingorourke.com); however these do not form part of this report.

The Directors of Laing O'Rourke Corporation Limited manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators should be viewed in the context of the Group. The development, performance and position of the Europe Hub of Laing O'Rourke Corporation Limited, which includes the Company, are discussed in the Group's Annual Report and Consolidated Financial Statements which are available publicly; however these do not form part of this report.

The Company has taken exemption from preparing a Strategic Report in accordance with s.414B of the Companies Act 2006.

GOING CONCERN

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company is a wholly owned subsidiary of Laing O'Rourke Corporation Limited, the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2022 (the "Group"). The Directors have assessed whether the going concern basis of preparation is appropriate by reference to the position of the entire Group, as the Company is reliant on its trading relationship with, and financial support from, this group of companies.

The Directors of Laing O'Rourke Corporation Limited have carefully considered those factors likely to affect the Group's future development, performance and financial position in relation to the ability of the Group to operate within its current and foreseeable resources - both financial and operational. The Group's Annual Report and Consolidated Financial Statements for the year ended 31 March 2022 (the "Group Financial Statements") were prepared on the assumption that the Group will continue to operate as a going concern for at least the next 12 months from 30 September 2022, being the date on which the Group Financial Statements were signed. The going concern analysis prepared for the purpose of preparing the Group Financial Statements extended to 31 March 2024 and there were no material uncertainties identified that may cast significant doubt on the Group's going concern status. The Group has sufficient financial resources, committed banking facilities, secured revenue and a strong order book. Further details of the assumptions used and the judgements made by the Directors of Laing O'Rourke Corporation Limited in relation to the Group's going concern assessment are disclosed on pages 62 to 64 of the Laing O'Rourke Corporation Limited Annual Report.

**Directors' Report - continued
for the Year Ended 31 March 2022**

GOING CONCERN (continued)

Having made the appropriate enquiries, including with the Directors of the Group, and considering a letter of support provided by the Group to the Company, the Company's Directors have a reasonable expectation that the Group, and therefore the Company, have adequate resources to continue in operational existence for a period of at least twelve months from the date on which the Company's financial statements have been signed. For these reasons, the Company's Directors continue to adopt the going concern basis in preparing the financial statements.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The Directors shown below have held office from 1 April 2021 to the date of this report.

R C Baker
J F Edmondson

DIVIDENDS

No dividends were declared or paid during the year (FY21: £nil). The Directors do not recommend the payment of a final dividend (FY21: £nil).

DIRECTORS' INDEMNITIES

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

EMPLOYMENT POLICY

All UK staff are employed by another company within the Group, Laing O'Rourke Services Limited. The Group continues to provide employees with relevant information and to seek their views on matters of common concern through their representatives and through line managers. Priority is given to ensuring that employees are aware of significant matters affecting the Group's trading position and of any significant organisational changes. The Group treats each application for employment, training and promotion on merit. Full and fair consideration is given to both disabled and able-bodied applicants and employees. If existing employees become disabled, every effort is made to find them appropriate work and training is provided if necessary.

HEALTH, SAFETY AND WELFARE

The Group is committed to ensuring the health, safety and welfare of all employees at work. All reasonable measures have been taken to achieve this policy. Arrangements have been made to protect other persons against risk to health and safety arising from the activities of the Group's employees when at work.

**Directors' Report - continued
for the Year Ended 31 March 2022**

DIRECTORS' RESPONSIBILITIES STATEMENT - continued

The Directors are responsible for preparing the Directors' Report and the unaudited Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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

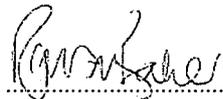
- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
R C Baker - Director

13 December 2022

Explore Capital Limited (Registered number: 05258424)

Income Statement
for the Year Ended 31 March 2022

	Note	2022 £'000	2021 £'000
REVENUE	3	-	72
Cost of sales		<u>(6)</u>	<u>(63)</u>
GROSS (LOSS)/PROFIT		(6)	9
Administrative income/(expenses)		<u>38</u>	<u>(674)</u>
OPERATING PROFIT/(LOSS)		<u>32</u>	<u>(665)</u>
PROFIT/(LOSS) BEFORE TAX	5	32	(665)
Tax on profit/(loss)	6	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u><u>32</u></u>	<u><u>(665)</u></u>

The notes on pages 9 to 15 form part of these financial statements

Explore Capital Limited (Registered number: 05258424)

**Statement of Comprehensive Income
for the Year Ended 31 March 2022**

	2022 £'000	2021 £'000
PROFIT/(LOSS) FOR THE YEAR	32	(665)
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR	<u>32</u>	<u>(665)</u>

The notes on pages 9 to 15 form part of these financial statements

Statement of Financial Position
As at 31 March 2022

	Note	2022 £'000	2021 £'000
FIXED ASSETS			
Investments in subsidiaries	7	5,365	5,365
CREDITORS			
Amounts falling due within one year	8	(51,539)	(51,571)
NET CURRENT LIABILITIES		(51,539)	(51,571)
NET LIABILITIES		(46,174)	(46,206)
CAPITAL AND RESERVES			
Called up share capital	9	-	-
Accumulated losses		(46,174)	(46,206)
TOTAL SHAREHOLDERS' DEFICIT		(46,174)	(46,206)

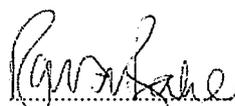
For the year ending 31 March 2022 the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities

- The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476.
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 5 to 15 were authorised for issue by the Board of Directors on 13 December 2022 and were signed on its behalf by:


.....
R C Baker - Director

Explore Capital Limited (Registered number: 05258424)

Statement of Changes in Equity
for the Year Ended 31 March 2022

	Called up share capital £'000	Accumulated losses £'000	Total shareholders' deficit £'000
Balance at 1 April 2020	-	(45,541)	(45,541)
Changes in equity			
Loss for the financial year and total comprehensive expense	-	(665)	(665)
Balance at 31 March 2021	-	(46,206)	(46,206)
Changes in equity			
Profit for the financial year and total comprehensive income	-	32	32
Balance at 31 March 2022	-	(46,174)	(46,174)

The notes on pages 9 to 15 form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 March 2022**

1. STATUTORY INFORMATION

Explore Capital Limited is a private company, limited by shares, incorporated and domiciled 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 preparation

The financial statements of Explore Capital Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions. On 31 December 2020, EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. In preparing these financial statements in accordance with FRS 101, the Company Financial Statements transitioned to UK-adopted international accounting standards (as described above) on 1 April 2021. There is no impact on recognition, measurement or disclosure in the period reported as a result of this change.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

Consolidation

The Company is a wholly owned subsidiary of Laing O'Rourke Plc and of its ultimate parent Laing O'Rourke Corporation Limited. The results of the Company and its subsidiary undertakings were incorporated into the consolidated financial statements of Laing O'Rourke Corporation Limited, which are publicly available; and the Company has therefore taken advantage of the exemption to prepare consolidated financial statements under section 401 of the Companies Act 2006. Laing O'Rourke Corporation Limited's registered address is Level 4, International Finance Centre 1, St Helier, Jersey, JE2 3BX.

Significant accounting policies

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 financial statements are presented in Sterling (£) which is the functional currency for the Company.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. **ACCOUNTING POLICIES - continued**

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company is a wholly owned subsidiary of Laing O'Rourke Corporation Limited, the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2022 (the "Group"). The Directors have assessed whether the going concern basis of preparation is appropriate by reference to the position of the entire Group, as the Company is reliant on its trading relationship with, and financial support from, this group of companies.

The Directors of Laing O'Rourke Corporation Limited have carefully considered those factors likely to affect the Group's future development, performance and financial position in relation to the ability of the Group to operate within its current and foreseeable resources - both financial and operational. The Group's Annual Report and Consolidated Financial Statements for the year ended 31 March 2022 (the "Group Financial Statements") were prepared on the assumption that the Group will continue to operate as a going concern for at least the next 12 months from 30 September 2022, being the date on which the Group Financial Statements were signed. The going concern analysis prepared for the purpose of preparing the Group Financial Statements extended to 31 March 2024 and there were no material uncertainties identified that may cast significant doubt on the Group's going concern status. The Group has sufficient financial resources, committed banking facilities, secured revenue and a strong order book. Further details of the assumptions used and the judgements made by the Directors of Laing O'Rourke Corporation Limited in relation to the Group's going concern assessment are disclosed on pages 62 to 64 of the Laing O'Rourke Corporation Limited Annual Report.

Having made the appropriate enquiries, including with the Directors of the Group, and considering a letter of support provided by the Group to the Company, the Company's Directors have a reasonable expectation that the Group, and therefore the Company, have adequate resources to continue in operational existence for a period of at least twelve months from the date on which the Company's financial statements have been signed. For these reasons, the Company's Directors continue to adopt the going concern basis in preparing the financial statements.

Tax and deferred tax

Tax expense represents the sum of the tax currently payable and deferred tax. The current tax expense is based on the taxable profits for the year, after any adjustments in respect of prior years. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it also excludes items that are neither taxable nor deductible. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the statement of financial position date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date.

A deferred tax asset is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is measured on an undiscounted basis.

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

2. **ACCOUNTING POLICIES - continued**

Revenue

Revenue, which excludes value added tax, is from the provision of support services to PFI joint ventures.

Revenue from the rendering of services is recognised when the amount of revenue can be measured reliably, it is highly probable that the economic benefits will flow to the seller, the stage of completion at the Statement of Financial Position date can be measured reliably and the cost incurred or to be incurred in respect of the transaction can be measured reliably. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur.

The Company does not expect to have any contracts where the period between the request for payment for the transfer of goods and services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust its transaction price for the time value of money.

Foreign currencies

Foreign currency transactions are translated into pounds sterling using the exchange rates prevailing at the date of the transaction. Foreign currency denominated monetary assets and liabilities are re-translated at the exchange rates ruling at the statement of financial position date. Exchange differences arising from foreign currency transactions are reflected in the income statement.

Investments

Investments are stated at cost less provision for a permanent diminution in value. Income from investments is included in the Income Statement when the right to receive payment is recognised.

Trade and other receivables

Trade receivables are initially recorded at fair value and subsequently measured at amortised cost as reduced by allowance for expected credit losses and appropriate allowances for estimated irrecoverable amounts. Subsequent recoveries of amounts previously written off are credited to the income statement line in which the provision was originally recognised.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Creditors are presented as amounts falling due within one year unless payment is not due within 12 months after the reporting period.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

2. ACCOUNTING POLICIES - continued

Key judgements and estimation uncertainty

The preparation of financial statements under FRS 101 requires management to make estimates and assumptions that affect amounts recognised for assets and liabilities at the statement of financial position date and the amounts of revenue and the expenses incurred during the reported period. Actual outcomes may therefore differ from these estimates and assumptions. The estimates and assumptions that have the most significant impact on the carrying value of assets and liabilities of the Company within the next financial year are detailed as follows:

a) Going concern (judgement and estimate)

In preparing these financial statements using the going concern basis of accounting, management has considered the forecast future cash flows of the Group under a management case scenario and several downside scenarios (see pages 62 to 64 of the Directors' Report of the Laing O'Rourke Corporation Group Annual Report and Consolidated Financial Statements). Forecast future cash flows include the following areas of judgement:

- Work winning for the Group;
- Construction activity including project margins and working capital position;
- Support of the supply chain in terms of product material, labour supply and flexibility in payment terms;
- Inflationary pressures;
- Disruption to the supply chain;
- Timing and quantum of outcomes of claims;
- Structural drivers for construction work; and
- Possibility of increased Covid-19 related restrictions impacting construction.

In order to form a conclusion on going concern and in determining that there is no material uncertainty that may cast significant doubt on the Group's going concern status, management has exercised judgement by analysing the past performance of the business, its existing portfolio of projects and order book, and its expectation of work winning. In addition, management has drawn on its knowledge and expertise of key drivers of cash flow performance in the construction sector in the markets in which it operates to assess the forecast liquidity and covenant headroom under its committed financing facilities based on its severe but plausible downside scenario.

Other judgements and estimation uncertainty

a) Tax (judgement)

The Company is subject to tax in a number of jurisdictions and judgement is required in determining the provision for income taxes including the recognition of deferred tax assets. The Company provides for future liabilities in respect of uncertain tax positions where it is probable that additional tax may become payable in future periods and such provisions are based upon management's assessment of exposures. Assets are only recognised where it is probable that additional tax will become payable in future periods and when the asset can be utilised.

b) Covid-19 and Brexit (judgement and estimate)

In light of Covid-19 and Brexit, management has considered other areas of judgement and estimation, including expected credit loss provisioning and impacts on costs to progress or complete construction contracts. Management has concluded that any updates to the estimates associated with these areas of the financial statements are not expected to result in material change.

c) Climate Change (judgement and estimate)

In preparing the consolidated financial statements management has considered the impact of climate change. Potential impacts of climate change, which include increased intensity and frequency of weather events and stricter environmental legislation, have been considered by management, together with the group's stated target of becoming operational net zero by 2030 and developing plans to achieve net zero scope 3 emissions by 2050 to the extent these can be forecast at present. These considerations did not have a material impact on the financial reporting judgements and estimates and climate change is not expected to have a significant impact on the Group's going concern assessment to March 2024.

The Group continues to invest in new technologies and product development including a project to decarbonise manufactured concrete components used in construction. The costs of these projects are currently being expensed as incurred.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

3. **REVENUE**

All revenue was generated in the United Kingdom from property development, holding subsidiary undertakings and the provision of support services to Private Finance Initiative (PFI) joint ventures.

4. **EMPLOYEES AND DIRECTORS**

The Company has no employees (FY21: none). All of the Directors and staff working on the Company's contracts are employed by another subsidiary undertaking of Laing O'Rourke Corporation Limited, Laing O'Rourke Services Limited. Costs for staff are incurred on the basis of time spent on the Company's contracts and these costs are included in cost of sales or administrative expenses as appropriate. As Directors hold directorships for other Group companies it is not possible to make a reasonable apportionment of the emoluments, therefore no key management personnel compensation has been disclosed. The Laing O'Rourke Services Limited financial statements disclose this, and are available from Companies House.

5. **PROFIT/(LOSS) BEFORE TAX**

Profit/(loss) before tax is stated after charging/(crediting):

	2022 £'000	2021 £'000
(Reversal of impairment of intercompany balances)/ impairment of intercompany balances receivable	(58)	434
Foreign exchange loss	<u>36</u>	<u>188</u>

The audit fee and other administrative expenses of the Company were borne by another Group company, Laing O'Rourke Services Limited.

6. **TAX ON PROFIT/(LOSS)**

	2022 £'000	2021 £'000
Corporation tax		
UK corporation tax	<u>-</u>	<u>-</u>
Total current tax result	<u>-</u>	<u>-</u>

The tax charge (FY21: tax credit) assessed for the year is lower (FY21: lower) than the standard rate of corporation tax in the UK of 19% (FY21: 19%). The differences are explained below:

	2022 £'000	2021 £'000
Profit/(loss) before tax	<u>32</u>	<u>(665)</u>

Profit/(loss) before tax multiplied by standard rate of corporation tax in the UK of 19% (FY21: 19%)

6	(126)
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Effects of:

- (income not subject to tax)/expenses not deductible for tax purposes

(4)	118
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- effect of group relief

<u>(2)</u>	<u>8</u>
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Total tax result on profit/(loss)

<u>-</u>	<u>-</u>
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Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

6. **TAX ON PROFIT/(LOSS) (continued)**

Group companies will between them no longer charge for the surrender of tax losses, unless specifically agreed between the surrendering and claimant companies.

On 3 March 2021, in the Spring Budget, the UK Government announced that from 1 April 2023 the corporation tax rate would rise from 19% to 25%. This new law was substantively enacted on 24 May 2021 and therefore UK deferred tax assets and liabilities that are expected to reverse after 1 April 2023, have been recalculated at 25% as at 31 March 2022, resulting in neither a credit or a charge to the income statement.

During 2021, the OECD published a framework for the introduction of a global minimum effective tax rate of 15%, applicable to large multinational groups. On 20 July 2022, HM Treasury released draft legislation to implement these 'Pillar 2' rules which will first apply to the Group's accounting period beginning 1 April 2024. The Group is reviewing these draft rules to understand any potential impacts.

7. **INVESTMENTS IN SUBSIDIARIES**

	Subsidiary undertakings shares £'000
COST	
At 1 April 2021 and 31 March 2022	<u>89,543</u>
IMPAIRMENT	
At 1 April 2021 and 31 March 2022	<u>(84,178)</u>
NET BOOK VALUE	
At 31 March 2022	<u><u>5,365</u></u>
At 31 March 2021	<u><u>5,365</u></u>

The directors believe that the carrying value of the individual investments are supported by their underlying net assets or their forecast cash flow for the next year.

Holdings

The Company holds an interest either directly or indirectly through other Group companies in the following companies (100% interest in ordinary voting shares unless otherwise stipulated) and have a year end of 31 March, except Sycamore Properties Limited which is 2 April.

Country of incorporation or registration: England and Wales

Registered address: Bridge Place, Anchor Boulevard, Admirals Park, Dartford, Kent DA2 6SN

Subsidiary undertaking

Anchor Boulevard Limited
Explore Investments (No.1) Limited
Explore Investments Limited
Explore Living Balls Park Limited
Explore Living Limited
Explore Living Property Management Limited

Principal activity

Property investment company
Holding company
Holding company
Residential development
Residential development
Residential property management

Country of incorporation or registration: Republic of Ireland

Registered address: 25/28 North Wall Quay, Dublin 1

Subsidiary undertaking

Canal Harbour Development Company Limited

Irishtown Developments Limited
R O'Rourke & Son Maynooth Limited
Sundera Holdings Limited

Principal activity

In voluntary strike off
(50% interest until 25 August 2021)
Non-trading
Holding company
Non-trading

Notes to the Financial Statements - continued
for the Year Ended 31 March 2022

7. INVESTMENTS IN SUBSIDIARIES (continued)

Country of incorporation or registration: Bahamas

Registered address: Suite 200b, 2nd Floor, Centre of Commence, One Bay Street, P.O. Box N-3944
Nassau

Subsidiary undertaking
Sycamore Properties Limited

Principal activity
Property holding company

Country of incorporation or registration: England and Wales

Registered address: 13 Newton Place, Glasgow G3 7PR

Joint venture

Principal activity

New City Vision Holdings Limited

Holding company (5%) treated as a joint venture as a result of equal voting rights

Dissolutions

Birley Fields Limited on 12 July 2021.

8. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Amounts owed to group undertakings	51,538	51,569
Accruals and deferred income	<u>1</u>	<u>2</u>
	<u>51,539</u>	<u>51,571</u>

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
1 (FY21: 1)	Ordinary	£1	<u>1</u>	<u>1</u>

10. EVENTS AFTER THE REPORTING PERIOD

On 4 May 2022 Explore Investments (No.1) Limited converted the £37,065,000 debt due from Canal Harbour Development Company Limited to equity.

On 5 August 2022, subsequent to the year end, the Laing O'Rourke Corporation Group secured a six month extension of the £35.0m revolving credit facility which extends the expiry date to 3 April 2024. A £13.0m property loan was also extended to 3 April 2024 for Sycamore Properties Limited.

11. ULTIMATE CONTROLLING PARTY

The immediate parent undertaking of Explore Capital Limited is Laing O'Rourke Plc, a company registered in England and Wales.

The ultimate parent company of Explore Capital Limited Laing O'Rourke Corporation Limited, a company incorporated in Jersey. R G O'Rourke KBE is the ultimate controlling party by virtue of his majority shareholding.

Laing O'Rourke Corporation Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2022. The Laing O'Rourke Corporation Limited Group's Annual Report and Consolidated Financial Statements are available for viewing at www.laingorourke.com.

Laing O'Rourke Plc is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Laing O'Rourke Plc are available from the Registrar of Companies in England and Wales.