Company registration number 05884731 (England and Wales)

ALLECT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

ALLECT LIMITED

COMPANY INFORMATION

Directors	Mr I D Johnson Mr S P Rigby Mr W Stokes Mr M C D S Dos Santos
Company number	05884731
Registered office	Bridgeway House Bridgeway Stratford Upon Avon Warwickshire CV37 6YX
Auditor	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY

ALLECT LIMITED

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ALLECT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT

The directors present their strategic report for Allect Limited the year ended 31 March 2023.

Rigby Group

The company is a wholly owned subsidiary of Allect Holdings Limited, which in turn is a subsidiary of Rigby Group (RG) plc ("Rigby Group").

Rigby Group is a family-owned highly successful business operating across Europe. Diversifying from its origins as a technology re-seller, Rigby Group is currently comprised of five key divisions: Technology, Airports, Real Estate, Hotels, and Technology Investments. Since its origins in 1975 the Group has grown to be the 12th largest family business in the United Kingdom (source https://familybusinessindex.com), employing over 8,000 people and with a consolidated turnover of over £3bn.

The group has a distinguished reputation as both an investor and business operator built around core family values of foresight, working hard and enabling others. The Rigby Group is a keen supporter of job creation, enterprise and charitable causes in the regions in which it operates and takes its responsibility for the environment seriously.

Further information is available at www.rigbygroupplc.com.

Allect

Allect is an international multidisciplinary integrated design and delivery group which brings together development management, architecture, interior design, construction, private client services and the newly established creative division. Allect has the finest names in luxury interior design and delivery: Rigby & Rigby, Helen Green Design and Lawson Robb Design.

Allect oversees the creative development of all the brands, whilst maintaining their individual identity, heritage and expertise. There is a perfect balance between Rigby & Rigby's research and development influenced interior design and delivery, Helen Green's quintessentially British focused interior design, and Lawson Robb's vibrant and eclectic interior architecture and yacht design. Further information on the brands is available at www.rigbyandrigby.com, www.helengreendesign.com and www.lawsonrobb.com.

Allect has built a reputation as a leading, international ultra-prime specialist studio based on four core deliverables: deliver excellence, push boundaries, inspire and excite and have a client driven vision at its heart.

Allect prides itself on innovation, agility, speed, and the ability to critically think and produce solutions for complex project challenges. Allect is widely considered as one of the best (if not the only) multidisciplinary integrated design and delivery studios in the UK, which is professionally accredited in each division. This represents a significant differentiator from the industry in which no other business is able to design, develop and execute as an integrated multidisciplinary business.

The studio of experienced professionals specialising in ultra-prime design and delivery and the personal touch plays a critical role in Allect's success and multi-service, end-to-end project delivery.

FY2023 marks the 20th anniversary of Helen Green Design and 15th year of business for Rigby & Rigby.

Review of the year

Operational review of the year

Allect continued the operational and organisational efficiency programmes developed in the prior financial years, and invested in additional resources to create a more agile management structure and expand our service offering.

We have continued to develop our national and international presence through the year and are now working in 22 countries. We continue to mitigate the risk of exposure to one sector by diversifying into multiple sectors and jurisdictions. Our engagements included the design of two superyachts for private clients, hotels in Monaco and London, a private family office in Norway, retail premises and offices in London, a restaurant in London, in addition to super prime residences in the UK, Thailand, Japan, Dubai, Qatar, France, Spain, Finland, Austria and Australia.

We have completed an ultra-prime private residential property deve opment in Tokyo, working with one of the world's top architects, Kengo Kuma Associates.

All of our brands featured in the Great British Brands 2022 Edition, we achieved a Blue Plaque award from English Heritage, Certificates of Excellence on all London delivery projects with an outstanding health and safety record.

Highlights included the continued construction of Lancelot House, Rigby & Rigby's single largest residential project, located in one of London's most prestigious addresses in Knightsbridge. The 17,000 sq.ft. super mansion features six bedrooms, two apartments, a double height swimming pool, spa, cinema, parking for nine cars via two car stackers, a roof terrace and a courtyard garden. It is a multi-year project and will run until the middle of 2023 – an exemplary project for the business.

Allect concluded the review of its brand strategy during the year, still targeting ultra-prime and super-prime business with a clearer focus on residential projects, primarily based in London. It achieved excellent Considerate Constructors Scheme (CCS) scores across all of its projects which is a very high standard to achieve and is testament to the dedication and care of the delivery team. The Considerate Constructors Scheme is a non-profit,
independent organisation founded by the construction industry. Construction sites, companies and suppliers register with the scheme and agree to abide by the Code of Considerate Practice, designed to encourage best practice beyond statutory requirements. We retained the membership of the Federation of Master Builders to further reinforce excellence in this division.

Awards won by Allect include awards in Design et Al's International Design & Architecture Awards and being shortlisted for the International Design & Architecture Awards, SBID (The Society of British and International Interior Design) Awards, and International Design and Architecture Awards. Allect also appeared in the 2022 Spears 500 Top Recommended Interior designers and Top Recommended Architects.

We are proud to be working alongside industry leaders of innovative methodologies and sustainability, to continuously keep pushing boundaries and set new standards for our Clients, and we are proud that our achievements include BREEAM & CSH Excellent Homes; WELLness accreditation for a sirgle private residence; Air Rated certification to the highest standard for indoor air quality in any private residence in the UK and the interior design of the largest yacht ever build under 500 gross tonnes.

We are already delivering net zero developments, and during the financial year, we were advancing to be the very first architecture and interior design studio in the world to be certified with the Butterfly Kite Mark from Positive Luxury – working closely with colleagues, suppliers, and contractors to make a positive impact on the climate position, this is a position for which we are very proud and join large recognised international companies and brands. The Butterfly Kite Mark is similar to B-Corp but specifically for the luxury industry.

Financial review of the year

The company again delivered a sustainably improved result in the year.

By their nature, design and delivery projects are not short term in their creation or delivery, nor are they consistent in value, resulting in fluctuating annual performance in line with project timelines and values. The quantity and quality of our projects is key to our success. We have been able to complete a number of important projects in the financial year and our turnover increased by £3.1m (10.5%) from £29.7m to £32.8m, predominantly from large international interior design projects undertaken during the year.

Gross profit was 8.8% higher, however gross profit % reduced slightly to 9.14% as the company continued to invest in direct resource.

Administrative expenses were in line with the prior year despite inflationary pressures, as the company continues to actively manage controllable and non controllable costs.

Exceptional income of £42k relates to the receipt from a client where the balance had been impaired as exceptional in a prior financial year.

The financial performance of the business improved with operating profits growing by £289k (38%) to £1,048k.

The financial performance for the period post 31 March 2023 remains encouraging, the business continues to generate profits and cash flows leaving the business well placed to manage the economic risks arising in the short and medium term.

Order books are currently full with a strong pipeline of activity over the next 18 months and, whilst planning consents can impact the timing of some projects, contracts are generally multi-year providing strong degree of comfort over the coming financial year.

Principal risk and uncertainties

Risk management process

The directors are responsible for reviewing risk and the effectiveness of mitigating internal control systems in place.

Risks are reassessed in response to changes in the environment in which the company operates. The board has established and reviews periodically the company's risk appetite, which is set to balance opportunities for new business development in areas of potentially higher risk whilst maintaining customer satisfaction and protecting the company's reputation. The risk appetite is consistent with maintaining a strong framework of ethical behaviour and compliance with laws and legislation.

The risk identification and assessment process is integrated with the strategic planning process. The board establishes the strategic objectives of the company, and then consider the barriers to achieving the strategic objectives, and in turn, assess the level of risk in the context of the company's defined risk appetite.

The risks which are regularly considered include volatility of the residential property market; operational project delivery risks; impact of competitors; credit worthiness of clients; retention of personnel; reliance on external third party suppliers (particularly sub contractors); increase in raw material and third party costs; and risks arising on statutory obligations, such as planning, health and safety and environmental.

The principal risks are subject to robust challenge by the board and on the effectiveness of mitigating controls and actions. An insurance program is maintained to further mitigate risks facing the company.

Looking ahead to the year ending 31 March 2024; with long-term, multi-jurisdiction and multi-service projects already underway and a strong order book of new projects already commenced post 31 March 2023, as a business Allect remains confident.

Principal risks
The principal commercial risk centres on the volatility of the residential property market. The company does not purchase properties to undertake speculative residential developments; it undertakes developments and refurbishments of property owned by third parties. The risk of market value fluctuations in residential properties is borne by the owners of the properties.

The economic state of the residential property is a continuing risk, the implementation of Brexit, the probable economic slowdown and recession; foreign exchange rates; attractiveness of the UK being a safe and stable place for investment capital in property; number of sale transactions in super prime London segments are all aspects the Board consider a risk that is continually monitored and assessed.

Allect have always operated in the higher tier of the luxury and most exclusive part of the market dealing with ultrahigh net wealth individuals and businesses. Operational delivery risk to exacting standards to a timed programme presents reputational risk if governance, project management discipline and exacting standards are not maintained and monitored, including health and safety. All these project delivery risks are carefully and regularly monitored through process and governance disciplines to minimise this risk materialising.

Allect have also reducing the exposure to the super prime residential market by diversifying into country projects, hospitality, retail, commercial and F&B (food and beverage) restaurants, marine (Super yachts), and execute in design and delivery.

On behalf of the board

Mr I D Johnson
Director

27 June 2023

ALLECT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities
The principal activities of the company include design services (encompassing architecture, interior design, marine design and product design) and the construction and management of super prime residential property.

Results and dividends
The results for the year are set out on page 10.

Further information on the financial performance is included in the Strategic Report on pages 1 to 4.

Interim ordinary dividends were paid amounting to £600,000 (2022: £600,000). The directors do not recommend payment of a final dividend.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr I D Johnson
Mr S P Rigby
Mr W Stokes
Mr M C D S Dos Santos

Future developments
No events have occurred since the year end.

Auditor
The auditors, Ormerod Rutter Limited, will be proposed for re-appointment in accordance with Section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities
The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure in the strategic report
A separate Strategic Report has been prepared in compliance with Companies Act 2006 and contains information about likely future developments and an assessment of the principal risks and uncertainties to the company.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr I D Johnson
Director

27 June 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALLECT LIMITED

Opinion

We have audited the financial statements of Allect Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

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

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

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

Based on our understanding of the company, we identified the principle risks of non-compliance with laws and regulations including those that have a direct impact on the preparation of financial statements such as the Companies Act 2006, and the extent to which non-compliance might have a material effect on the financial statements. Audit procedures performed included discussions with management, testing of journals, designing and performing audit procedures and challenging assumptions and judgements made by management.

There are inherent limitations in the audit procedures described above. We are likely to become aware of instances of non-compliance with laws and regulations which are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, intentional misstatement or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALLECT LIMITED

Colm McGrory FCA
Senior Statutory Auditor
For and on behalf of Ormerod Rutter Limited

27 June 2023

Chartered Accountants
Statutory Auditor

The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

ALLECT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	**4**	32,760,272	29,656,090
Cost of sales		(29,766,159)	(26,745,807)
Gross profit		2,994,113	2,910,283
Administrative expenses		(1,987,492)	(1,991,787)
Other operating income		-	30,000
Exceptional items	**3**	41,667	(189,279)
Operating profit	**6**	1,048,288	759,217
Interest receivable and similar income	**9**	4,178	4,107
Interest payable and similar expenses	**10**	(626)	(1,386)
Profit before taxation		1,051,840	761,938
Tax on profit	**11**	(228,717)	(161,593)
Profit for the financial year		823,123	600,345

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ALLECT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Goodwill	**13**		199,433		238,665
Other intangible assets	**13**		-		7,625
Total intangible assets			199,433		246,290
Tangible assets	**14**		74,889		147,054
Investments	**15**		202		202
			274,524		393,546
Current assets					
Stocks	**17**	320,458		383,161	
Debtors	**19**	13,273,446		7,957,637	
Cash at bank and in hand		4,336,270		6,530,503	
		17,930,174		14,871,301	
Creditors: amounts falling due within one year	**20**	(14,997,266)		(12,280,538)	
Net current assets			2,932,908		2,590,763
Net assets			3,207,432		2,984,309
Capital and reserves					
Called up share capital	**24**		202		202
Profit and loss reserves	**26**		3,207,230		2,984,107
Total equity			3,207,432		2,984,309

The financial statements were approved by the board of directors and authorised for issue on 27 June 2023 and are signed on its behalf by:

Mr I D Johnson
Director

Company Registration No. 05884731

ALLECT LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 April 2021		202	2,983,762	2,983,964
Year ended 31 March 2022:				
Profit and total comprehensive income for the year		-	600,345	600,345
Dividends	**12**	-	(600,000)	(600,000)
Balance at 31 March 2022		202	2,984,107	2,984,309
Year ended 31 March 2023:				
Profit and total comprehensive income for the year		-	823,123	823,123
Dividends	**12**	-	(600,000)	(600,000)
Balance at 31 March 2023		202	3,207,230	3,207,432

1 Accounting policies

Company information
Allect Limited is a private company limited by shares incorporated in England and Wales.

The registered office is Bridgeway House, Bridgeway, Stratford Upon Avon, Warwickshire, CV37 6YX.

The nature of the group's operations and its principal activities are set out in the directors report on pages 5 to 6.

1.1 Accounting convention
These financial statements have been prepared under the historical cost convention, to include certain items at fair value, and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to related party transactions with wholly owned group companies and presentation of a cash flow statement.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern
Allect Limited is a subsidiary of Rigby Group (RG) plc and the results of Allect Limited are included in the consolidated financial statements of Rigby Group (RG) plc, which are available from its registered office as disclosed in note 30.

The company's business activities, together with factors likely to affect its future developments, performance and position are set out in the Strategic Report on pages 1 to 4.

The company is part of the Rigby Group (RG) plc group and the results are incorporated within the Rigby Group (RG) plc - Annual Report and Financial Statements. These reports describe the financial position of the group; its cash flows and liquidity position; the group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group would be able to operate within the level of its current facilities.

Divisions within the group either have their own bank debt facilities, or borrow from the ultimate parent company where necessary for major investments in infrastructure or acquisitions. Rigby Group (RG) Plc has provided a commitment to the company to provide additional funding should the need arise.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

1 Accounting policies **(Continued)**

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to subcontractors and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 8 years and 9 months.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over the following useful economic lives:

Website development costs	between 2 and 3 years

Amortisation is charged to the profit and loss account.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	25% reducing balance
Fixtures and fittings	Between 25% - 32% straight line and 25% reducing balance
Motor vehicles	25% on cost
Leasehold improvements	Over the life of the respective leases

1 Accounting policies **(Continued)**

1.7 Fixed asset investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairments are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Stocks

Stocks held for resale are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate.

1.9 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that total contract costs incurred for work performed to date bear to the total contract costs, except where this would not be representative of the stage of completion where work certified to date is used. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

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

Where costs incurred plus recognised profits less recognised losses exceed progress billings, the balance is recognised as due from customers on construction contracts within stock. Accrued retention revenues not billed on construction contracts are included within trade and other receivables. Where progress billings exceed costs incurred plus recognised profits less recognised losses, the balance is recognised as an advance payment on construction contracts within trade and other payables.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies **(Continued)**

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

Current tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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 balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

1 Accounting policies **(Continued)**

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Assets held under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit and loss over the relevant period. The capital element of the future payments is treated as liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.16 Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of assets
The company reviews the carrying value of assets, including amounts recoverable from customers on construction contracts at each period end. If indicators of impairment exist, the carrying value of the asset is subject to further testing to determine whether its carrying value exceeds its recoverable amount. This process will usual involve the estimation of future cash flows which are likely to be generated by the asset.

Provisions
A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and risks specific to the liability.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

Profit recognition on long term contracts
Profit is only recognised on long-term contracts where the outcome can be assessed with reasonable certainty. In such cases, turnover is calculated by reference to the value of work performed to date as a proportion of total contract value. The work performed to date is based on valuations by in house quantity surveyors and is certified by the client and/or their representatives.

3 Exceptional items

	2023	2022
	£	£
Expenditure		
Legal fees and settlement on legal dispute	-	189,279
Exceptional income	(41,667)	-
	(41,667)	189,279

The exceptional income of £41,667 in the year arose from the recovery of a receivable balance from a client which had been impaired as an exceptional cost in a prior financial year.

The exceptional costs of £189,279 in the previous financial year related to legal fees and a settlement paid to a previous client of Helen Green Design Limited following the resolution of an ongoing dispute.

4 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Design, construction and management of residential property, yacht design and design and construction of commercial property	32,760,272	29,656,090

	2023	2022
	£	£
Other significant revenue		
Interest income	4,178	4,107
Management charges	-	30,000

5 Auditor's remuneration

	2023	2022
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	17,474	17,200

6 Operating profit

	2023	2022
Operating profit for the year is stated after charging:	£	£
Foreign currency exchange rate losses	3,942	1,188
Depreciation of owned tangible fixed assets	134,896	193,343
Depreciation of tangible fixed assets held under finance leases	-	11,910
Amortisation of intangible assets	46,857	62,631
Operating lease charges	150,000	150,000

7 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Employees	48	48

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	3,419,993	3,107,749
Social security costs	431,746	369,821
Pension costs	71,794	85,441
	3,923,533	3,563,011
Redundancy payments made or committed	-	45,182

During the year there were no redundancy payments made (2022: £45,182).

8 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	607,625	603,512
Company pension contributions to defined contribution schemes	30,264	44,247
	637,889	647,759

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2022 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023 £	2022 £
Remuneration for qualifying services	250,000	250,000
Company pension contributions to defined contribution schemes	12,500	26,483

Mr S P Rigby received no remuneration for qualifying services. The emoluments of Mr S P Rigby are included in the disclosure of total directors emoluments of Rigby Group (RG) plc, the ultimate parent company.

9 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	67	2
Other interest income	4,111	4,105
Total income	4,178	4,107

10 Interest payable and similar expenses

	2023	2022
	£	£
Interest on finance leases and hire purchase contracts	163	915
Other interest paid	463	471
	626	1,386

11 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	208,067	174,944
Adjustments in respect of prior periods	(720)	(9,360)
Total current tax	207,347	165,584
Deferred tax		
Origination and reversal of timing differences	4,779	(9,417)
Changes in tax rates	1,510	(16,563)
Adjustment in respect of prior periods	15,081	21,989
Total deferred tax	21,370	(3,991)
Total tax charge	228,717	161,593

11 Taxation **(Continued)**

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	1,051,840	761,938
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	199,850	144,768
Tax effect of expenses that are not deductible in determining taxable profit	16,572	22,370
Tax effect of income not taxable in determining taxable profit	(3,576)	(1,610)
Adjustments in respect of prior years	14,361	12,629
Tax rate changes	1,510	(16,564)
Taxation charge for the year	228,717	161,593

Factors that may affect future tax charges

The standard rate of corporation tax in the UK is currently 19%. An increase to the main rate of corporation tax in the UK to 25% from April 2023 was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

Deferred tax at the balance sheet date has been measured using these enacted tax rates and reflected in these financial statements.

12 Dividends

	2023 £	2022 £
Interim paid of £2,790.297 (2022: ££2,790.297) per ordinary share	600,000	600,000

13 Intangible fixed assets

	Goodwill	Website development costs	Total
	£	£	£
Cost			
At 1 April 2022 and 31 March 2023	343,284	145,205	488,489
Amortisation and impairment			
At 1 April 2022	104,619	137,580	242,199
Amortisation charged for the year	39,232	7,625	46,857
At 31 March 2023	143,851	145,205	289,056
Carrying amount			
At 31 March 2023	199,433	-	199,433
At 31 March 2022	238,665	7,625	246,290

14 Tangible fixed assets

	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2022	20,224	739,129	47,640	806,993
Additions	-	62,731	-	62,731
At 31 March 2023	20,224	801,860	47,640	869,724
Depreciation and impairment				
At 1 April 2022	20,224	599,022	40,693	659,939
Depreciation charged in the year	-	127,949	6,947	134,896
At 31 March 2023	20,224	726,971	47,640	794,835
Carrying amount				
At 31 March 2023	-	74,889	-	74,889
At 31 March 2022	-	140,107	6,947	147,054

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2023	2022
	£	£
Motor vehicles	-	6,947

15 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	16	202	202

16 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Nature of business	Class of shares held	% Held Company	% Held Group
Rigby & Rigby Limited	Dormant	Ordinary	100.00	0
Helen Green Design Limited	Dormant	Ordinary	100.00	0
Lawson Robb Design Limited	Dormant	Ordinary	100.00	0

Registered Office address for all subsidiaries:

Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warkwickshire, CV37 6YX

17 Stocks

	2023 £	2022 £
Raw materials and consumables	35,795	75,000
Work in progress	284,663	308,161
	320,458	383,161

18 Construction contracts

	2023 £	2022 £
Contracts in progress at the reporting date		
Construction work in progress included in stocks	284,663	308,161
Gross amounts owed by construction customers included in debtors	1,947,143	1,408,099
	2,231,806	1,716,260
Gross amounts owed to construction customers included in creditors	(7,088,279)	(5,583,604)

19 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	9,555,168	4,341,845
Gross amounts owed by contract customers	1,947,143	1,408,099
Amounts owed by group undertakings	1,297,919	1,297,447
Other debtors	201,239	194,027
Prepayments and accrued income	214,947	637,819
	13,216,416	7,879,237
Deferred tax asset (note 25)	6,321	9,386
	13,222,737	7,888,623

Amounts falling due after more than one year:	2023 £	2022 £
Deferred tax asset (note 25)	50,709	69,014
Total debtors	13,273,446	7,957,637

20 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Obligations under finance leases	21	-	6,390
Trade creditors		1,349,780	1,450,702
Gross amounts owed to construction customers		7,088,279	5,583,604
Amounts owed to group undertakings		7,728	69,039
Group relief creditor		102,626	159,454
Other taxation and social security		1,020,319	537,303
Other creditors		13,346	45,530
Accruals and deferred income		5,415,188	4,428,516
		14,997,266	12,280,538

21 Finance lease obligations

	2023	2022
Future minimum lease payments due under finance leases:	£	£
Within one year	-	6,390

22 Secured debts

The following secured debts are included within creditors:

	2023	2022
	£	£
Hire purchase contracts	-	6,390

Hire purchase contracts are secured against the assets to which they relate.

23 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	71,794	85,441

The company operates money purchase pension schemes for all qualifying employees. The assets of the schemes are held separately from those of the company in independently administered funds.

At the year end the money purchase pension scheme liability was £11,614 (2022: £36,250).

24 Share capital

	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary of £1 each	202	202	202	202

Ordinary shareholders have unrestricted voting rights in the company, the rights to return capital on a winding up and the rights to dividends.

25 Deferred taxation

The following are the major deferred tax assets recognised by the company and movements thereon:

	Assets 2023	Assets 2022
Balances:	**£**	**£**
Accelerated capital allowances	50,709	69,014
Other timing differences	6,321	9,386
	57,030	78,400

	2023
Movements in the year:	**£**
Asset at 1 April 2022	(78,400)
Debit to profit or loss	21,370
Asset at 31 March 2023	(57,030)

The deferred tax asset will reverse over the following periods:

	2023	2022
	£	£
Recoverable within one year	(6,321)	(9,386)
Recoverable after more than one year	(50,709)	(69,014)
	(57,030)	(78,400)

26 Profit and loss reserves

This represents the accumulated realised earnings from the prior and current periods as reduced by losses and dividends from time to time.

27 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	2,020	79,040
Between two and five years	-	1,010
	2,020	80,050

28 Related party transactions

Transactions with related parties
During the year the company entered into the following transactions with related parties:

Name of related party	Nature of relationship
Other related parties	Related Party Transactions

	Description of transaction	Revenue 2023	Revenue 2022	Costs 2023	Costs 2022
		£	£	£	£
Other related parties	Trade Transactions	68,858	116,953	-	-

Balances with related parties
The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2023	Amounts owed by related parties 2022	Amounts owed to related parties 2023	Amounts owed to related parties 2022
	£	£	£	£
Costs to be recharged	228,562	-	-	-
Other related parties	56,807	278,661	-	-

Other information
Transactions with other group companies
The company has taken advantage of exemption, under section 33 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 Rigby Group (RG) plc group.

29 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

At the year end, there was a balance outstanding of £123,531 (2022: £119,420). During the year, advances amounting to £4,111 (2022: £4,102) were charged on the overdue amounts.

30 Ultimate controlling party

The immediate controlling party is Allect Holdings Limited who owns 100% of the issued ordinary share capital.

Rigby Group (RG) plc is regarded by the directors as being the company's ultimate parent company.

The principal place of business of Rigby Group (RG) plc is at Bridgeway House, Stratford-upon-Avon, Warwickshire, CV37 6YX. Rigby Group (RG) plc is the largest group to consolidate these financial statements.

The consolidated statements for Rigby Group (RG) plc are available at the above address.

Sir Peter Rigby, a director of Rigby Group (RG) plc, controlled the company as a result of owning 52.02% of the issued ordinary share capital and 60% of the voting rights of Rigby Group (RG) plc, the ultimate parent undertaking.