

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 May 2022
for
Realtime Civil Engineering London
Limited

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for the Year Ended 31 May 2022

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DIRECTORS:

M A Keane
D Gallagher
M Comiskey

SECRETARY:

E McGrath

REGISTERED OFFICE:

Swanley Bar Lane
Potters Bar
Hertfordshire
EN6 1NU

REGISTERED NUMBER:

08693188 (England and Wales)

AUDITORS:

Evolve Accountancy and Tax Solutions Limited
Congress House
14 Lyon Road
Harrow
Middlesex
HA1 2EN

The directors present their strategic report of the company and the group for the year ended 31 May 2022.

REVIEW OF BUSINESS

The group has achieved results which reflect the general upturn in business as the country has come out of the government trading restrictions that were imposed as a result of the Covid 19 pandemic.

The group has made a profit for the year albeit at a reduced margin. This fall in margin has occurred because of an increase in the costs of steel and concrete during the period under review.

The directors maintain good relations with the group's existing clients which has enabled it to increase turnover and achieve success in tendering for new contract work as the industry begins to recover from the effects of the Covid 19 pandemic.

While the gross margin has fallen in the period, the net profit before tax has risen, reflecting management's ability to monitor its administrative costs in the period.

Some key financial highlights are shown below:

	2022	2021	2020
Turnover	13.8 million	£7.1 million	£15.3 million
Turnover movement	£6.7 million	(£8.2 million)	(£7 million)
Gross profit margin	25.7%	38%	31.8%
Profit before tax	7.9%	4.7%	18.9%

PRINCIPAL RISKS AND UNCERTAINTIES

The main risks that the group faces are as a result of Brexit, the war in Ukraine and the general economic situation that the country finds itself in.

Management believes that the most important asset that the group has is the staff that it employs. Therefore, the group has to strive to retain and recruit good quality staff who in turn satisfy the group's customers. In order that the best staff are attracted to and want to remain working for the group, investment in training and Health and Safety is maintained.

The group will not compromise on the safety and well-being of its staff and endorses the United Declaration on Human Rights. It has developed a number of standards and procedures supporting diversity, non-discrimination and equal opportunities.

With the nature of the work in which the group operates, there is a risk that there could be an adverse impact on the environment. Management has formalised an Environmental Policy which seeks to limit any negative effect on the environment and endeavours to achieve sustainable development by setting standards in environmental care.

The group is committed to conducting its business to high ethical, professional and legal standards, showing consideration to the communities in which it operates. Management believe that a responsible approach to developing relationships with the communities that it serves, both nationally and locally is an important factor in delivering business success. The directors are mindful of the way the group operates in the industry and bear this in mind in adopting its operational policies.

There are strong risk-based procedures in place which management adopt when tendering for new contracts. These procedures enable the group to adapt to any unexpected changes which may arise as a contract progresses while not compromising on the quality of service to customers or the safety of its staff.

The changes to the law regarding IR35 could have a major impact on the margins on which the group operates. In order to reduce the risk of non-compliance, a review has been carried out of the contract s which the group has with its contractors.

The directors maintain a healthy balance of liquid funds which will enable the group to take advantage of investment opportunities as they arise. They believe that the group can continue to tender for contracts at a competitive rate and trade within its means in the long term without the need for additional financial support from outside the group.

ON BEHALF OF THE BOARD:

D Gallagher - Director

18 January 2023

Report of the Directors
for the Year Ended 31 May 2022

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

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of groundwork construction and engineering.

DIVIDENDS

Dividends of £16.35p per share totalling £278,000 were paid during the period

RESEARCH AND DEVELOPMENT

The group was engaged in several projects which were separately identified as containing research and development activities. Where technical issues were encountered during a construction project beyond the existing knowledge or capability within the industry, the group allocated specific staff resources to design, develop and test and advancement to that build process.

The research and development costs are recognised in the income statement within cost of sales.

DIRECTORS

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

M A Keane
D Gallagher
M Comiskey

CHARITABLE DONATIONS AND EXPENDITURE

The group made charitable donations during the year as follows:

Name	£
Lennox Cancer Fund	25
Maggies	200
Alzheimer Society of Ireland	220
Save The Children	1,950
Ukraine Appeal	2,012
Crash	500
	<u>4,907</u>

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Report of the Directors
for the Year Ended 31 May 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Evolve Accountancy and Tax Solutions Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

D Gallagher - Director

18 January 2023

Opinion

We have audited the financial statements of Realtime Civil Engineering London Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 May 2022 and of the group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages four and five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- the laws and regulations applicable to the company were identified through discussions with directors and other management, and from our commercial knowledge and experience of the building sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to consider instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Report of the Independent Auditors to the Members of
Realtime Civil Engineering London
Limited

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

Use of our report

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

Paul O'Rourke FCA (Senior Statutory Auditor)
for and on behalf of Evolve Accountancy and Tax Solutions Limited
Congress House
14 Lyon Road
Harrow
Middlesex
HA1 2EN

18 January 2023

Consolidated Income Statement
for the Year Ended 31 May 2022

	Notes	31.5.22 £	31.5.21 £
TURNOVER		13,821,239	7,114,875
Cost of sales		<u>10,268,839</u>	<u>4,411,538</u>
GROSS PROFIT		3,552,400	2,703,337
Administrative expenses		<u>2,445,307</u>	<u>2,391,094</u>
		1,107,093	312,243
Other operating income	3	<u>-</u>	<u>29,125</u>
OPERATING PROFIT	5	1,107,093	341,368
Interest receivable and similar income		<u>1,257</u>	<u>632</u>
		1,108,350	342,000
Interest payable and similar expenses	6	<u>11,302</u>	<u>9,251</u>
PROFIT BEFORE TAXATION		1,097,048	332,749
Tax on profit	7	<u>178,999</u>	<u>(455,932)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>918,049</u>	<u>788,681</u>
Profit attributable to:			
Owners of the parent		<u>918,049</u>	<u>788,681</u>

Consolidated Other Comprehensive Income
for the Year Ended 31 May 2022

	Notes	31.5.22 £	31.5.21 £
PROFIT FOR THE YEAR		918,049	788,681
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		-	-
FOR THE YEAR		<u>918,049</u>	<u>788,681</u>
Total comprehensive income attributable to: Owners of the parent		<u>918,049</u>	<u>788,681</u>

Consolidated Balance Sheet
31 May 2022

	Notes	31.5.22 £	£	31.5.21 £	£
FIXED ASSETS					
Tangible assets	10		368,893		364,578
Investments	11		-		-
			<u>368,893</u>		<u>364,578</u>
CURRENT ASSETS					
Debtors	12	1,727,567		2,360,194	
Cash at bank and in hand		<u>6,293,550</u>		<u>4,674,784</u>	
		8,021,117		7,034,978	
CREDITORS					
Amounts falling due within one year	13	<u>1,409,273</u>		<u>1,044,758</u>	
NET CURRENT ASSETS			<u>6,611,844</u>		<u>5,990,220</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,980,737		6,354,798
CREDITORS					
Amounts falling due after more than one year	14		(109,730)		(89,489)
PROVISIONS FOR LIABILITIES	17		<u>(60,162)</u>		<u>(94,513)</u>
NET ASSETS			<u>6,810,845</u>		<u>6,170,796</u>
CAPITAL AND RESERVES					
Called up share capital	18		17,000		17,000
Capital redemption reserve	19		10,000		10,000
Other reserves	19		134,000		134,000
Retained earnings	19		<u>6,649,845</u>		<u>6,009,796</u>
SHAREHOLDERS' FUNDS			<u>6,810,845</u>		<u>6,170,796</u>

The financial statements were approved by the Board of Directors and authorised for issue on 18 January 2023 and were signed on its behalf by:

D Gallagher - Director

Company Balance Sheet
31 May 2022

	Notes	31.5.22 £	£	31.5.21 £	£
FIXED ASSETS					
Tangible assets	10		-		-
Investments	11		17,000		17,000
			<u>17,000</u>		<u>17,000</u>
CURRENT ASSETS					
Debtors	12	295		59,783	
Cash in hand		<u>5,318,136</u>		<u>3,909,533</u>	
		5,318,431		3,969,316	
CREDITORS					
Amounts falling due within one year	13	<u>830,080</u>		<u>2,000</u>	
NET CURRENT ASSETS			<u>4,488,351</u>		<u>3,967,316</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,505,351</u>		<u>3,984,316</u>
CAPITAL AND RESERVES					
Called up share capital	18		17,000		17,000
Capital redemption reserve	19		5,000		5,000
Retained earnings	19		<u>4,483,351</u>		<u>3,962,316</u>
SHAREHOLDERS' FUNDS			<u>4,505,351</u>		<u>3,984,316</u>
Company's profit/(loss) for the financial year			<u>799,035</u>		<u>(1,257)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 18 January 2023 and were signed on its behalf by:

D Gallagher - Director

Consolidated Statement of Changes in Equity
for the Year Ended 31 May 2022

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Other reserves £	Total equity £
Balance at 1 June 2020	17,000	6,895,115	10,000	134,000	7,056,115
Changes in equity					
Dividends	-	(1,674,000)	-	-	(1,674,000)
Total comprehensive income	-	788,681	-	-	788,681
Balance at 31 May 2021	17,000	6,009,796	10,000	134,000	6,170,796
Changes in equity					
Dividends	-	(278,000)	-	-	(278,000)
Total comprehensive income	-	918,049	-	-	918,049
Balance at 31 May 2022	17,000	6,649,845	10,000	134,000	6,810,845

Company Statement of Changes in Equity
for the Year Ended 31 May 2022

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 June 2020	17,000	5,637,573	5,000	5,659,573
Changes in equity				
Dividends	-	(1,674,000)	-	(1,674,000)
Total comprehensive income	-	(1,257)	-	(1,257)
Balance at 31 May 2021	17,000	3,962,316	5,000	3,984,316
Changes in equity				
Dividends	-	(278,000)	-	(278,000)
Total comprehensive income	-	799,035	-	799,035
Balance at 31 May 2022	17,000	4,483,351	5,000	4,505,351

Consolidated Cash Flow Statement
for the Year Ended 31 May 2022

	Notes	31.5.22 £	31.5.21 £
Cash flows from operating activities			
Cash generated from operations	1	2,086,198	(1,189,786)
Interest paid		(10)	-
Interest element of hire purchase payments paid		(11,292)	(9,251)
Tax paid		(10,001)	(249,802)
Net cash from operating activities		<u>2,064,895</u>	<u>(1,448,839)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(238,751)	(95,909)
Sale of tangible fixed assets		34,472	33,955
Interest received		<u>1,257</u>	<u>632</u>
Net cash from investing activities		<u>(203,022)</u>	<u>(61,322)</u>
Cash flows from financing activities			
Capital repayments in year		34,893	(14,889)
Equity dividends paid		<u>(278,000)</u>	<u>(1,674,000)</u>
Net cash from financing activities		<u>(243,107)</u>	<u>(1,688,889)</u>
Increase/(decrease) in cash and cash equivalents		<u>1,618,766</u>	<u>(3,199,050)</u>
Cash and cash equivalents at beginning of year	2	4,674,784	7,873,834
Cash and cash equivalents at end of year	2	<u><u>6,293,550</u></u>	<u><u>4,674,784</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 May 2022

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.5.22 £	31.5.21 £
Profit before taxation	1,097,048	332,749
Depreciation charges	204,799	215,499
Profit on disposal of fixed assets	(4,835)	(15,790)
Amounts recoverable on contracts change	551,047	(903,554)
Finance costs	11,302	9,251
Finance income	(1,257)	(632)
	<u>1,858,104</u>	<u>(362,477)</u>
Increase in trade and other debtors	(5,055)	(769,982)
Increase/(decrease) in trade and other creditors	<u>233,149</u>	<u>(57,327)</u>
Cash generated from operations	<u><u>2,086,198</u></u>	<u><u>(1,189,786)</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 May 2022

	31.5.22 £	1.6.21 £
Cash and cash equivalents	<u>6,293,550</u>	<u>4,674,784</u>

Year ended 31 May 2021

	31.5.21 £	1.6.20 £
Cash and cash equivalents	<u>4,674,784</u>	<u>7,873,834</u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.6.21 £	Cash flow £	At 31.5.22 £
Net cash			
Cash at bank and in hand	<u>4,674,784</u>	<u>1,618,766</u>	<u>6,293,550</u>
	<u>4,674,784</u>	<u>1,618,766</u>	<u>6,293,550</u>
Debt			
Finance leases	<u>(168,474)</u>	<u>(34,893)</u>	<u>(203,367)</u>
	<u>(168,474)</u>	<u>(34,893)</u>	<u>(203,367)</u>
Total	<u><u>4,506,310</u></u>	<u><u>1,583,873</u></u>	<u><u>6,090,183</u></u>

1. **STATUTORY INFORMATION**

Realtime Civil Engineering London Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

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

Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings made up to 31 May 2020 as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of the business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical evidence and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from those estimates.

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment to the group's tangible assets. Factors taken into consideration in reaching such a decision include economic viability and expected future financial performance of the asset.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

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

2. **ACCOUNTING POLICIES - continued**

Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and that such revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services:

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably;
- and
- the costs incurred and the costs to complete the contract can be measured reliably.

Tangible fixed assets

Plant and machinery	25% straight line
Motor vehicles	25% straight line
Fixtures and fittings	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the sales proceeds with the carrying amount and are recognised in the income statement.

Government grants

Amounts receivable by the company under the Coronavirus Job Retention Scheme are accounted for on an accruals basis. Income receivable under this scheme is included within other income in the profit and loss account.

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

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction cost. Financial assets classified as receivable within one year are not amortised.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are initially recognised at transaction price.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the 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.

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

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

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

2. **ACCOUNTING POLICIES - continued**

Hire purchase and leasing commitments

Assets obtained 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 or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

3. **OTHER OPERATING INCOME**

	31.5.22	31.5.21
	£	£
Government grants	<u>-</u>	<u>29,125</u>

4. **EMPLOYEES AND DIRECTORS**

	31.5.22	31.5.21
	£	£
Wages and salaries	992,598	820,543
Social security costs	15,469	15,499
Other pension costs	<u>135,303</u>	<u>234,843</u>
	<u>1,143,370</u>	<u>1,070,885</u>

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

	31.5.22	31.5.21
Administration	3	3
Development	3	3
Logistics and procurement	9	9
Marketing and sales	<u>3</u>	<u>3</u>
	<u>18</u>	<u>18</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 18 (2021 - 18).

	31.5.22	31.5.21
	£	£
Directors' remuneration	<u>150,000</u>	<u>150,000</u>

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

5. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	31.5.22	31.5.21
	£	£
Other operating leases	11,128	-
Depreciation - owned assets	82,265	86,480
Depreciation - assets on hire purchase contracts	122,534	129,019
Profit on disposal of fixed assets	(4,835)	(15,790)
Auditors' remuneration	<u>22,000</u>	<u>22,000</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.5.22	31.5.21
	£	£
Bank interest	10	-
Hire purchase	<u>11,292</u>	<u>9,251</u>
	<u>11,302</u>	<u>9,251</u>

7. **TAXATION**

Analysis of the tax charge/(credit)

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

	31.5.22	31.5.21
	£	£
Current tax:		
UK corporation tax	213,350	(455,932)
Deferred tax	<u>(34,351)</u>	<u>-</u>
Tax on profit	<u>178,999</u>	<u>(455,932)</u>

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

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

	31.5.22	31.5.21
	£	£
Profit before tax	<u>1,097,048</u>	<u>332,749</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	208,439	63,222
Effects of:		
Expenses not deductible for tax purposes	15,575	(519,154)
Income not taxable for tax purposes	(919)	-
Capital allowances in excess of depreciation	(8,587)	-
Utilisation of tax losses	(1,158)	-
Movement on deferred taxation	<u>(34,351)</u>	<u>-</u>
Total tax charge/(credit)	<u>178,999</u>	<u>(455,932)</u>

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

8. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. **DIVIDENDS**

	31.5.22 £	31.5.21 £
Ordinary A shares shares of £1 each		
Final	<u>278,000</u>	<u>1,674,000</u>

10. **TANGIBLE FIXED ASSETS**

Group

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 June 2021	1,632,518	10,056	1,642,574
Additions	238,751	-	238,751
Disposals	(108,398)	-	(108,398)
At 31 May 2022	<u>1,762,871</u>	<u>10,056</u>	<u>1,772,927</u>
DEPRECIATION			
At 1 June 2021	1,268,396	9,600	1,277,996
Charge for year	204,590	209	204,799
Eliminated on disposal	(78,761)	-	(78,761)
At 31 May 2022	<u>1,394,225</u>	<u>9,809</u>	<u>1,404,034</u>
NET BOOK VALUE			
At 31 May 2022	<u>368,646</u>	<u>247</u>	<u>368,893</u>
At 31 May 2021	<u>364,122</u>	<u>456</u>	<u>364,578</u>

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

10. **TANGIBLE FIXED ASSETS - continued**

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 June 2021	1,033,431
Additions	164,251
Disposals	(97,898)
Transfer to ownership	(684,149)
At 31 May 2022	<u>415,635</u>
DEPRECIATION	
At 1 June 2021	816,578
Charge for year	122,534
Eliminated on disposal	(78,761)
Transfer to ownership	(665,969)
At 31 May 2022	<u>194,382</u>
NET BOOK VALUE	
At 31 May 2022	<u>221,253</u>
At 31 May 2021	<u>216,853</u>

11. **FIXED ASSET INVESTMENTS**

Company

	Shares in group undertakings £
COST	
At 1 June 2021 and 31 May 2022	<u>17,000</u>
NET BOOK VALUE	
At 31 May 2022	<u>17,000</u>
At 31 May 2021	<u>17,000</u>

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

11. **FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Realtime Civil Engineering Limited

Registered office: Swanley Bar Lane, Potters Bar, Hertfordshire EN6 1NU

Nature of business: Construction

	% holding		
Class of shares:			
Ordinary	100.00	31.5.22 £	31.5.21 £
Aggregate capital and reserves		2,171,758	2,096,805
Profit for the year		<u>824,953</u>	<u>795,659</u>

Realtime Technical Services Limited

Registered office: Swanley Bar Lane, Potters Bar, Hertfordshire EN6 1NU

Nature of business: Construction

	% holding		
Class of shares:			
Ordinary	100.00	31.5.22 £	31.5.21 £
Aggregate capital and reserves		150,736	106,675
Profit/(loss) for the year		<u>94,061</u>	<u>(5,721)</u>

12. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	31.5.22 £	31.5.21 £	31.5.22 £	31.5.21 £
Trade debtors	937,362	769,113	-	-
Amounts owed by group undertakings	-	-	-	59,488
Amounts recoverable on contract	699,716	1,250,763	-	-
Other debtors	58,737	103,790	-	-
Tax	-	86,635	295	295
Prepayments and accrued income	<u>31,752</u>	<u>149,893</u>	<u>-</u>	<u>-</u>
	<u>1,727,567</u>	<u>2,360,194</u>	<u>295</u>	<u>59,783</u>

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

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.5.22	31.5.21	31.5.22	31.5.21
	£	£	£	£
Hire purchase contracts (see note 15)	93,637	78,985	-	-
Trade creditors	674,203	594,094	-	-
Amounts owed to group undertakings	-	-	828,080	-
Tax	116,714	-	-	-
Social security and other taxes	313,135	89,660	-	-
Other creditors	174,084	58	-	-
Accrued expenses	37,500	281,961	2,000	2,000
	<u>1,409,273</u>	<u>1,044,758</u>	<u>830,080</u>	<u>2,000</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	31.5.22	31.5.21
	£	£
Hire purchase contracts (see note 15)	<u>109,730</u>	<u>89,489</u>

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	31.5.22	31.5.21
	£	£
Net obligations repayable:		
Within one year	93,637	78,985
Between one and five years	<u>109,730</u>	<u>89,489</u>
	<u>203,367</u>	<u>168,474</u>

Group

	Non-cancellable operating leases	
	31.5.22	31.5.21
	£	£
Between one and five years	<u>69,644</u>	<u>-</u>

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

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	31.5.22	31.5.21
	£	£
Hire purchase contracts	<u>203,367</u>	<u>168,474</u>

Hire purchase liabilities are secured on the assets that they finance.

17. PROVISIONS FOR LIABILITIES

	Group	
	31.5.22	31.5.21
	£	£
Deferred tax	<u>60,162</u>	<u>94,513</u>

Group

	Deferred tax
	£
Balance at 1 June 2021	94,513
Credit to Income Statement during year	<u>(34,351)</u>
Balance at 31 May 2022	<u>60,162</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

			2022	2021
Number:	Class:	Nominal value:	£	£
5,000	A Ordinary	£1	5,000	5,000
5,000	B Ordinary	£1	5,000	5,000
5,000	C Ordinary	£1	5,000	5,000
2,000	D Ordinary	£1	2,000	2,000
			<u>17,000</u>	<u>17,000</u>

The holders of the A Ordinary shares rank equally in relation to voting rights, dividends and other distributions (including on winding up) and may be redeemed at the option of the company or shareholder on such terms as the company may determine.

The holders of the B Ordinary shares rank pari passu, save in relation to dividend entitlement.

The holders of the C Ordinary shares rank equally in relation to voting rights, dividends from profits post 1 June 2016 and other distributions (including on winding up) and may be redeemed at the option of the company or shareholder on such terms as the company may determine.

The holders of the D Ordinary shares carry no rights to dividends, apart from entitlement to a dividend at the discretion of the holders of the A B and C Ordinary shares.

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

19. **RESERVES**

Group

	Retained earnings £	Capital redemption reserve £	Other reserves £	Totals £
At 1 June 2021	6,009,796	10,000	134,000	6,153,796
Profit for the year	918,049			918,049
Dividends	(278,000)			(278,000)
At 31 May 2022	<u>6,649,845</u>	<u>10,000</u>	<u>134,000</u>	<u>6,793,845</u>

Company

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 June 2021	3,962,316	5,000	3,967,316
Profit for the year	799,035		799,035
Dividends	(278,000)		(278,000)
At 31 May 2022	<u>4,483,351</u>	<u>5,000</u>	<u>4,488,351</u>

20. **RELATED PARTY DISCLOSURES**

During the year the group paid rent to a pension scheme of which 1 of the directors is a beneficiary. Rent was charged on an arm's length basis.

21. **ULTIMATE CONTROLLING PARTY**

In the opinion of the directors there is no overall controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.