

Registered number: 07046711

JRL GROUP HOLDINGS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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JRL GROUP HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr J J Reddington Mr K W Keegan Mr R J Gleeson
Company secretary	Mr R J Gleeson
Registered number	07046711
Registered office	4 Elstree Way Borehamwood Hertfordshire WD6 1RN
Independent auditor	MHA Statutory Auditors 6th Floor 2 London Wall Place London EC2Y 5AU
Bankers	HSBC 8 Canada Square Canary Wharf London E14 5HQ RBS Royal Bank of Scotland 49 Bishopsgate London EC2N 3AS

JRL GROUP HOLDINGS LIMITED

CONTENTS

	Page
Chairman's statement	1
Group strategic report	2 - 13
Directors' report	14 - 17
Independent auditor's report	18 - 21
Consolidated statement of comprehensive income	22
Consolidated statement of financial position	23 - 24
Company statement of financial position	25
Consolidated statement of changes in equity	26 - 27
Company statement of changes in equity	28
Consolidated statement of cash flows	29 - 30
Consolidated analysis of net debt	31
Notes to the financial statements	32 - 60

JRL GROUP HOLDINGS LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The chairman presents his statement for the period.

2022 was a difficult year for the UK construction industry, inflation was at an all-time high. Thankfully, our in-house delivery model, whilst it does not fully protect us from inflation, it does save us from supply chain failures and excessive mark-ups.

In response, we have strengthened our purchasing team, allowing us to access new and more economic markets for materials, which equates to c. 40% of our gross turnover.

During the year we invested in a modular factory to address cost pressures and labour shortages on our low to medium rise projects. Having continuity of work in the factory allows us to build specialised teams delivering consistently high levels of safety, quality and productivity.

As part of our renewable energy strategy, we are investing in solar energy on the rooftops of our factories, offices and yards.

We have been targeting commercial work in recent times and during 2022 our new team hit a milestone when we secured our second contract. This opens up further work for the in house businesses; piling, groundworks, concrete frames, MEP & Facades.

Inflation has stabilised, we have a healthy orderbook and with a motivated team look forward to better results in the coming years.

Name Mr J J Reddington
Chairman



Date 23.05.2023

JRL GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present the strategic report of the JRL Group for the year ended 31 December 2022.

JRL Group financial review

The JRL Group's results for the year ended 31 December 2022 demonstrates continued controlled growth. Revenue increased from £610.0m in 2021 to £761.3m in 2022, an increase of 24.8%.

The directors consider turnover and track record for managing growth which has been achieved over the past 10 years:

	Turnover	Growth (£)	Growth (%)
2013	£180.4m	+£14.1m	+8.5%
2014	£198.0m	+£17.6m	+9.8%
2015	£251.7m	+£53.7m	+27.1%
2016	£288.5m	+£36.8m	+14.6%
2017	£388.4m	+£99.9m	+34.6%
2018	£539.2m	+£150.8m	+38.8%
2019	£619.7m	+£80.5m	+14.9%
2020	£569.8m	-£49.9m	-8.0%
2021	£610.0m	+£40.2m	+7.1%
2022	£761.3m	+£151.3m	+24.8%

The directors consider the rates of profitability before tax (PBT) and net margins achieved:

	PBT	Net Margin
2013	£2.2m	1.2%
2014	£2.6m	1.3%
2015	£3.9m	1.5%
2016	£16.0m	5.5%
2017	£27.0m	7.0%
2018	£31.3m	5.8%
2019	£34.5m	5.6%
2020	£27.2m	4.8%
2021	£26.8m	4.4%
2022	£13.3m	1.8%

The directors are satisfied with the levels of net margin achieved.

JRL GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors consider earnings before interest and tax (EBIT) and earnings before interest, tax, depreciation and amortisation (EBITDA).

	EBIT	EBITDA
2013	£3.4m	£8.1m
2014	£4.2m	£9.0m
2015	£5.6m	£11.7m
2016	£17.5m	£24.8m
2017	£28.7m	£41.8m
2018	£30.0m	£48.7m
2019	£36.3m	£58.6m
2020	£29.8m	£53.7m
2021	£28.5m	£51.9m
2022	£14.6m	£38.3m

The directors also consider net cash generated from operating activities and cash at bank:

	Net Cash Generated	Cash at Bank
2013	£9.9m	£9.7m
2014	£13.8m	£14.6m
2015	£32.1m	£26.1m
2016	£26.4m	£33.3m
2017	£18.0m	£32.3m
2018	£75.5m	£63.6m
2019	£43.8m	£94.4m
2020	£29.8m	£112.8m
2021	£61.8m	£122.0m
2022	£10.0m	£116.8m

The directors are satisfied with the levels of cash generated and retained within the business considering the undrawn working capital facilities. In addition, the directors are comfortable with the degree of headroom which the business continues to maintain.

JRL GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors also consider the levels of net debt, net assets and net current assets/liabilities:

	(Net Debt)	Net Assets	Net Current Assets/(Liabilities)
2013	(£25.8m)	£14.0m	£5.36m
2014	(£28.6m)	£17.3m	£2.69m
2015	(£14.2m)	£19.5m	(£5.42m)
2016	(£16.6m)	£29.8m	(£1.64m)
2017	(£31.2m)	£48.7m	£6.61m
2018	(£11.3m)	£68.1m	£3.19m
2019	(£22.4m)	£90.8m	£13.5m
2020	(£41.0m)	£112.4m	£24.19m
2021	(£14.6m)	£130.4m	£47.31m
2022	(£64.2m)	£141.5m	£34.5m

The directors are pleased to report improvements in net assets which demonstrates the continued strengthening of the Group's financial position.

The directors are satisfied with the financial performance and position of the Group historically while targeting increased efficiencies and synergies going forward in order to enhance net margins.

As such the directors remain steadfast in their approach and look forward with confidence.

JRL GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Principal risks and uncertainties

The Group continues to operate within specific policies, agreed by the board, to control and monitor risks within the Group. The primary areas of risk facing the Group are as follows:

Operational risk

A range of risks associated with delivering complex projects for clients are recognised by the Group. Risk analysis is performed prior to tendering, at preconstruction, prior to starting on site, and throughout the construction phase in order to ensure key risks are closely managed and monitored. Budgets are prepared for all projects prior to commencement, with detailed advance planning carried out to support site operations. All projects are closely monitored via the monthly Cost Valuation Reporting mechanisms, with timely intervention where any material variations are identified.

The Group's operations also require the continuous monitoring and management of health and safety risks. We have recently refreshed our Health and Safety vision under the title "Plan Safe, Work Safe - 2020 Vision". In our updated strategy we have highlighted the key elements that we consider to be vital for the continuous improvement to the Health and Safety of both of our workforce and that of our customers.

Quality is becoming ever more important especially considering the discerning nature of our clients. We have enhanced our systems over the past year as we demonstrated our ability to deliver projects to the highest quality standards.

Liquidity risk

The Group maintains appropriate funding levels relative to the level of current and future requirements arising from the Group's strategy. Cash flow forecasts are prepared on a weekly basis and are closely monitored, with sensitivity analysis regularly performed. We maintain a proactive relationship with our panel of lenders and stakeholders to ensure transparency and appropriate levels of facilities are maintained. This is an area of detailed analysis on a regular basis and we consider current arrangements are adequate.

Credit risk

The Group's principal financial assets are contract debtors and other receivables. All new clients are referenced with reputable credit reporting agencies. Across the Group contract debtors are regularly reviewed, whereby any variance from agreed terms is immediately reported and action taken as required. In addition, credit insurance is maintained for the non-contracting elements of the Group.

Market risk

The Group is aware and monitors closely the ever evolving market dynamics considering the increased outputs and inflationary pressures. Over time the Group has developed robust monitoring processes, covering in particular the secured order book and flexed forecasts within a rolling 12 month period. Any unforeseen increases or decreases which are identified as having a potential impact on profitability or liquidity are flagged immediately, to ensure remedial action is taken if, or when, required.

As the Ukraine conflict continues and its inflationary impact on raw materials, we closely monitor the impact and risks so that we can make the necessary change to mitigate these. The Group has no operations in the Ukraine, nor does it source goods or services from the Ukraine.

A wide range of measures have been implemented across the Group in order to manage and mitigate specific risks and as such the directors are satisfied that sufficient protocols have been established for each and every scenario under consideration.

JRL GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Operational performance

The directors are pleased to present individual commentary on the operational performance of the main trading companies.

J Reddington Limited

J Reddington was founded in 1996 as a groundwork and concrete frame contractor focusing on London and the South East.

With revenue of £396.0m, J Reddington achieved a loss before tax of £1.6m, compared to £316.1m and profit of £0.8m respectively in 2021.

During the period J Reddington delivered a number of large complex contracts. In addition, the company continued to invest in an expanded planning and pre-construction team along with enhanced quality systems and specialised plant and machinery. With a strong order book and an increased focus on cost efficiencies the directors look forward with confidence.

Midgard Limited

Midgard was formed in 2006 providing complete construction solutions as a main contractor utilising the full capability of the wider JRL Group.

With revenue of £536.3m Midgard achieved a profit before tax of £25.3m, compared to revenue of £456.8m and profit of £14.5m in 2021. Midgard continues to leverage the combined offering of the JRL Group delivering increasingly complex and prestigious projects. In an increasingly uncertain environment, Midgard continues to demonstrate that self-delivery de-risks the programme and provides cost certainty. With a strong order-book and the support of the wider Group the directors look forward with confidence.

London Tower Crane Hire and Sales Limited

London Tower Crane Hire and Sales was formed in 2003, focusing on the provision of tower cranes both for the hire and sale market.

With revenue of £39.7m London Tower Crane Hire and Sales achieved a profit before tax of £4.7m, compared to £37.7m and £7.2m respectively in 2021.

Thames Reinforcements Limited

Thames Reinforcements started trading in 2007 as a production facility, processing cut and bent reinforcement and prefabricated products including piling cages and other prefabricated elements.

With revenue of £98.7m Thames Reinforcements achieved a profit before tax of £8.6m, compared to £62.7m and a profit of £3.6m in 2021. The increase in profitability was predominantly driven by the increased outputs in the period.

JRL Plant and Logistics Limited

JRL Plant and Logistics was formed in 2003 and operates as a plant hire and haulage business mainly servicing the internal requirements of the JRL Group.

With revenue of £49.6m, JRL Plant and Logistics reported a profit before tax of £37k, compared to £44.5m and a profit before tax of £0.2m for 2021.

JRL GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Stair Master Limited

Stair Master was formed in 2008 as a steel fabricator primarily providing sacrificial formwork for use in the construction of stairs.

With revenue of £7.3m Stair Master reported a loss before tax of £0.7m, compared to £6.5m and a loss before tax of £0.1m respectively in 2021.

Ark Mechanical and Electrical Services Limited

Ark Mechanical and Electrical Services was formed in 2013 as a mechanical, electrical and plumbing contractor.

With revenue of £115.0m Ark Mechanical and Electrical Services has reported a profit before tax of £11.7m, compared to £104.7m and a profit before tax of £12.1m respectively in 2021. This result was driven by several well executed and managed products.

JRL Drylining Limited

JRL Drylining started trading in 2014 as a subcontractor focusing on the installation of internal partitions and ceilings.

With revenue of £26.5m, JRL Drylining achieved a loss before tax of £0.3m, compared to revenue of £21.6m and a profit before tax of £3.6m in 2021.

JRL Environmental Limited

JRL Environmental started trading in 2014, focusing on waste disposal and recycling for the Group.

With revenue of £18.6m, JRL Environmental achieved a profit before tax of £0.4m, compared to £16.4m and a profit before tax of £18k respectively in 2021, as the business recovered from the trading challenges of the pandemic.

JRL Civil Engineering Limited

JRL Civil Engineering started trading in 2015, focusing on design, construction and maintenance within the civil engineering industry.

With revenue of £12.2m, JRL Civil Engineering achieved a loss before tax of £2.3m in 2022, compared to revenue of £9.1m and a loss before tax of £0.2m respectively in 2021.

McMullen Facades Limited

Under the JRL Group, the business has established itself as a market leading unitised facade contractor. Poor performing contracts and inflationary pressures have impacted results in the year.

Although revenue has increased from £65.2m in 2021 to £127.7m in 2022, the company has reported a loss before tax of £21.8m in 2022 (2021 - £6.8m loss before tax).

Greater resources and improved and enhanced design capabilities are now in place. This alongside increased focus on cost control and efficiencies is expected to improve profitability going forward.

JRL GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

JRL Access Limited

JRL Access was formed in 2018 as a scaffolding contractor.

With revenue of £8.6m JRL Access reported a loss before tax of £0.3m in 2022 compared to £5.8m and a loss before tax of £0.5m in 2021.

JRL Demolition Limited

JRL Demolition was formed in 2016 as a demolition contractor.

With revenue of £4.6m JRL Demolition reported a profit before tax of £0.2m compared to £8.4m and a profit before tax of £0.6m respectively in 2021.

Slipstructures Limited

Slipstructures was formed in 2016 focusing on providing slipform solutions to the construction industry.

With revenue of £8.5m Slipstructures reported a loss before tax of £0.7m compared to £6.4m and a profit before tax of £20k respectively in 2021.

Intra-Group Trading

During the year, Group companies entered into transactions with other Group companies in the normal course of business. The total intercompany sales, reflected in the figures above, in the year amounted to £786m (2021 - £620m). Intercompany sales and purchases are eliminated on consolidation of the Group's financial statements.

JRL Group outlook

With overall levels of activity expected to rise further on the back of a strong order book, the directors look forward with confidence.

We are targeting operating efficiencies across the Group through innovation, the robust control and challenge of operating costs and through the continued use of off-site manufacturing.

Our vision

The Group's vision is to become the contractor of choice within the sectors in which it operates, through our ability to deliver leading edge construction techniques and services.

Our mission

We seek to deliver our goals through:

- Safe delivery of high quality and innovative solutions for all our clients;
- Training and development of all employees to the highest possible skill levels; and
- Securing an unrivalled reputation as the business partner and employer of choice.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Health and Safety – “Plan Safe, Work Safe”

The Group's “Plan Safe, Work Safe” initiative has been the cornerstone of the Health & Safety strategy since its inception in 2010. We recently refreshed our Health and Safety vision under the title “Plan Safe, Work Safe - 2020 Vision”. In our updated 5 year strategy we have highlighted the key elements that we consider to be vital for the continuous improvement to the Health and Safety of both our workforce and our customers.

Our core objectives are simple; no accidents, no harm to people, and no damage to the environment.

Planning is vital in order for any task or construction process to be completed safely. As such, this has become a key principle within our “Plan Safe, Work Safe” programme which is now well established across the Group.

JRL Group continues to lead the way in improving on-site health and safety through innovation in products and technical practices through our design for manufacture strategy which focuses on the off-site manufacture and fabrication of key structural components. These include precast elements and prefabricated materials.

Training is a critical part of the “Plan Safe, Work Safe” initiative. It is only by engaging competent staff that we can gain confidence that our vision is being implemented to its full potential. As such we engage with our workforce in order to understand any skills or knowledge shortfalls and invest in our workforce through continual training and retraining as necessary.

Our overarching goal is to ensure that everyone goes home safe and well at the end of each working day. We recently introduced our “See it, sort it” initiative to encourage our workforce to report any unsafe acts or provide feedback regarding our workplaces. Everyone has a voice and is empowered to speak up if something isn't right.

We promote awareness of mental health issues within the construction industry and support the “Mates in Mind” initiative. In particular, we encourage everybody to get involved with the many fitness initiatives which are organised regularly including cycling, running and participating in organised sporting events. We believe that keeping active leads to positive mental health.

The safety and welfare of all our operatives, and every person involved in or impacted by our activities is important to us, and as such we strive to ensure no harm is caused by any of our activities either directly or indirectly.

Corporate social responsibility

We carry out a wide range of work and a major priority for us and for our customers is that we conduct our business while protecting the local and wider environment.

Our responsibilities encompass an active and hands on approach to the communities in which we work. We are conscious of not only our potential impact on present activities, but also the possible long term effects. We actively engage the local community to raise awareness of our work and the construction industry in general.

Our community work includes engaging local people and businesses through stakeholder meetings, neighbourhood meet and greet events and regular newsletters.

By engaging with local councils we ensure that that we can source a robust local labour supply. We invest in our workforce up skilling and training where we are closely liaising with the council and CITB. We engage with local schools and provide careers guidance, events and curriculum support. Working with local colleges and universities we aim to deliver apprenticeships and work placements.

Our sustainability team works closely with our internal recruitment and training departments to coordinate and deliver the Group's social value strategy.

We recognise that as a leading contractor we have a responsibility to ensure sustainability is at the very core of everything that we do. We are specifically targeting responsible material procurement, reducing the

JRL GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

environmental impact of our operations and a reduction of the waste produced by the work that we undertake.

To this end JRL Environmental has been tasked with and takes full responsibility for reducing waste generated across the Group ensuring we re-use and recycle as a priority.

Our people

Our key differentiator is the quality of our people. The standards we set, processes we follow and the results we achieve on behalf of our clients are a direct consequence of the calibre of individuals who have chosen a career within the Group.

This process begins before individuals commence their employment: identifying talent and recruiting those with proven ability is critical to our ongoing success. While rewards and opportunities for advancement within the Group are significant, there are additional factors which go into creating high performing teams. These include attitude, diligence and willingness to learn new ways of working. In turn, our businesses actively encourage those who bring forward innovative solutions to overcome complex issues on behalf of our clients. We promote from within where possible, providing structured development for employees' careers, which follows a training based pathway to advancement.

Employment of disabled people

The Group does not tolerate discrimination of any kind. It prides itself on its commitment to recruiting and promoting individuals on the basis of ability and aptitude, irrespective of their circumstances or disabilities. Wherever suitable vacancies occur, the businesses actively pursue the recruitment of disabled people.

Equally, where individuals lose mobility or suffer other difficulties whilst employed by the Group, every effort is made to continue the individual's employment, proactively retraining for alternative roles if their current position becomes unsuitable.

Training and development

During 2022, employees continued to undertake a range of training courses covering every aspect of project delivery, site operations and safe systems of work. The diversity of the work we undertake and the unique delivery challenges we need to solve provides us with the opportunity to attract and retain the best people and provide a solid learning and development platform for all to develop and enhance their skills.

Employee involvement

The senior management team conduct regular site visits to discuss matters of mutual interest with employees to identify any issues which may be emerging at an early stage in a project.

Site based 'Toolbox Talks' are conducted regularly by project leaders and supervisors to ensure up to date awareness of any safety or project related issues. A critical aspect is ensuring the 'Toolbox Talks' are two way, with genuine engagement and an opportunity to raise issues or concerns directly. Where appropriate, these are then escalated through the Health & Safety Department or on to managers and directors.

The goal throughout is to ensure that all training delivered to our people is engaging, effective and proven. A training matrix has been developed within each business to match statutory requirements with development opportunities within each role, including all managers and directors.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Section 172 Statement

The directors of the Group, as those of all UK companies, must act in accordance with a set of general duties.

These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows: 'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interests of the Group's employees;
- the need to foster the Group's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Group.

a) The likely consequences of any decisions in the long-term

Decisions that require board approval are reviewed regularly. During 2022, this included deciding on the Group's long term strategy, approval of budgets, capital expenditure on the acquisition and disposal of assets and reviewing health and safety performance. This included monitoring progress against key strategic objectives, reviewing the Group's forecast funding requirements, debt capacity and other financing options that are required to deliver the long-term strategy.

b) The interests of the Group's employees

Our key differentiator is the quality of our people. The standards we set, processes we follow and the results we achieve on behalf of our clients are a direct consequence of the calibre of individuals who have chosen a career within the Group.

This process begins before individuals commence their employment: identifying talent and recruiting those with proven ability is critical to our ongoing success. While rewards and opportunities for advancement within the Group are significant, there are additional factors which go into creating high performing teams. These include attitude, diligence and willingness to learn new ways of working. In turn, our businesses actively encourage those who bring forward innovative solutions to overcome complex issues on behalf of our clients. We promote from within where possible, providing structured development for employees' careers, which follows a training based pathway to advancement.

During 2022, employees continued to undertake a range of training courses covering every aspect of project delivery, site and safety operation. The goal throughout is to ensure that all training delivered to our people is engaging, effective and proven. A training matrix has been developed within each business to match statutory requirements with development opportunities within each role, including all managers and directors.

The board is embedding a culture that will help to deliver long term success.

The senior management team conduct regular site visits to sit down and discuss matters of mutual interest with employees to identify any issues which may be emerging at an early stage in a project. Site based 'Toolbox Talks' are conducted regularly by project leaders and supervisors to ensure up to date awareness of any safety or project related issues. A critical aspect is ensuring the 'Toolbox Talks' are two way, with genuine engagement and an opportunity to raise issues or concerns directly. Where appropriate, these are then escalated through the Health & Safety Department or on to managers and directors.

JRL GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

c) The need to foster the Group's business relationships with suppliers, customers and others

Our strategy promotes growth, driven by selling to existing clients and bringing new clients into the Group. To do this, we need to develop and maintain strong client relationships. We have specialist teams who work with our clients and potential clients to win new business. We also have a team which helps us to prepare tenders and price our contracts.

Our suppliers and subcontractors are fundamental to our business success and we value all of our relationships with them. We expect all of our suppliers and subcontractors to adhere to our standards, such as those relating to environmental responsibility, data protection and ethics.

The directors understand the importance of the Group's supply chain and one of the ways we can maintain effective relationships is to pay them on time.

d) The impact of the Group's operations on the community and environment

We carry out a wide range of work and a major priority for us and for our customers is that we conduct our business while protecting the local and wider environment. Our responsibilities encompass an active and hands on approach to the communities in which we work. We are conscious of not only our potential impact on present activities, but also the possible long term effects.

Our community work includes engaging local people and businesses through stakeholder meetings and regular newsletters. We employ local labour by engaging with local councils so that we can source a robust local labour supply. We invest in our workforce up skilling and training where we are closely liaising with the council and CITB.

In the environment, we are specifically targeting a reduction in the amount of waste which goes to landfill as a result of our activities. To this end JRL Environmental has been tasked with and takes full responsibility for reducing waste generated across the Group ensuring we re-use and recycle as a priority.

e) The desirability of the Group maintaining a reputation for high standards of business conduct

The reputation of the Group is of utmost importance to the directors and not exclusively in an operational and financial sense. The Group does not tolerate discrimination of any kind. It prides itself on its commitment to *recruiting and promoting individuals on the basis of ability and aptitude, irrespective of their circumstances or disabilities*. Wherever suitable vacancies occur, the Group seeks to actively pursue the recruitment of disabled people. Equally, where individuals lose mobility or suffer other difficulties whilst employed by the Group, every effort is made to continue the individual's employment, proactively retraining for alternative roles if their current position becomes unsuitable.

f) The need to act fairly as between members of the Group

The primary responsibility of the Board is to promote the long-term success of the Group by creating and delivering shareholder value as well as contributing to society as a whole. To achieve this, the Group relies on key inputs and positive relationships with a wide range of stakeholders. Stakeholders are impacted by, or benefit from, decisions made by the Board. It is the Board's responsibility to ensure that they have acted both individually and collectively in a manner that is most likely to promote the success of the Group for the benefit of its members as a whole taking into consideration all of its stakeholders and to the matters set out in paragraphs a-f of Section 172 of the Companies Act 2006.

During the period the directors reviewed the progress which had been made in respect of the 'One Group' delivery strategy. This allows our clients the flexibility to progressively engage with the Group at the various stages of a project. The directors were pleased with the progress made during the period and re-affirmed the approach.

JRL GROUP HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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



.....
Mr J J Reddington
Director

Date: 23.05.2023

JRL GROUP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 Group 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 the Group and to 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.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £6,599,723 (2021 - £18,165,779).

During the year the directors of the company recommended a final dividend of £Nil (2021 - £3,000,000). During the year dividends of £302,026 (2021 - £625,000) were paid to non-controlling interests.

Directors

The directors who served during the year were:

Mr J J Reddington
Mr K W Keegan
Mr R J Gleeson

Our vision

The Group's vision is to become the contractor of choice within the sectors in which we operate, through our ability to delivery leading edge construction techniques and services.

Political and charitable contributions

During the year, the Group made charitable contributions of £262,360 (2021: £31,710). There were no political contributions (2021 - £NIL).

JRL GROUP HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Employee involvement

The Group's policy is to consult and discuss with employees, through regular forums, focus groups, team briefs and quarterly conferences, matters likely to affect employees' interests.

Information on matters of concern to employees is given through electronic information bulletins, notices and all company briefings, in order to achieve a common awareness of the financial and market factors affecting the Group's performance.

Disabled employees

The Group's policy is to recruit candidates with the appropriate knowledge, skills and aptitude for all vacancies irrespective of disability. As appropriate, all necessary assistance with initial training will be given. Once employed, career plans are developed so as to ensure suitable opportunities for each disabled person are made available. Arrangements will be made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Streamlined energy & carbon report

The data included in the table below covers the reporting requirements detailed in the Streamlined Energy and Carbon Reporting 'SECR' Regulations and represents the carbon and energy performance of JRL Group Holdings Limited and its subsidiary companies for the year to 31 December 2022.

Our reported emissions are solely related to our UK activities.

	2022 reporting year - UK Operations	2021 reporting year - UK Operations
Total UK energy consumption (gas, electricity & transport), kWh	17,593,605	14,039,071
Emissions from combustion of gas, tCO ₂ e - (scope 1)	174	800
Emissions from combustion of fuel for transport purposes tCO ₂ e - (scope 1)	10,479	9,442
Emissions from business travel (i.e. rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel tCO ₂ e - (scope 3)	329	247
Emissions from purchased electricity, tCO ₂ e - (scope 2)	2,758	1,798
Total emissions from gas, electricity & transport, tCO ₂ e	13,740	12,287
Intensity ratio (tCO ₂ e per £100,000 of sales revenue)	0.9	1.0

Methodology

As per the requirements of the Streamlined Energy and Carbon Reporting (SECR) Regulations, JRL Group Holdings Limited ('the Group') is publishing its energy use and carbon emissions from activities for which it is responsible for the year ended 31 December 2022. This primarily covers our Scope 1 and 2 emissions. We have also reported on our Scope 3 emissions in regards to business travel.

We aim to report on further emissions over the coming years to improve and better our understanding of our other indirect emissions.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Carbon emission scope definitions

- Scope 1 (direct emissions) emissions are those from activities owned or controlled by our organisation, for example, transportation fuel.
- Scope 2 (energy indirect) emissions are those released into the atmosphere that are associated with our consumption of purchased electricity, heat, steam and cooling. These indirect emissions are a consequence of our organisation's energy use, but occur at sources we do not own or control, for example, UK electricity consumption at our offices, factories and construction sites.
- Scope 3 (other indirect) emissions are a consequence of our actions that occur at sources we do not own or control and are not classed as Scope 2 emissions, for example, expensed staff mileage in privately-owned vehicles.

The Group has followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard. Consumption data has been extracted from supplier invoices and our energy consultants and brokers. The Group's Environmental Management System ('EMS') is ISO 14001 certified. The EMS is used to report on our quantitative targets including carbon emissions and highlights our progress. Carbon factors have been taken from the annually updated UK Government GHG Conversion Factors and Methodology for Company Reporting document.

We have selected an emission intensity ratio of tonnes CO₂e per £100,000 of gross turnover, before consolidation elimination of intercompany sales, given the fully-integrated self-delivery contracting model that we offer our clients.

Our emissions could vary significantly year on year dependant on the number and size of contracts we are working on. The Group continued to grow in 2022 and this allows data to be comparable in each reportable year as well as bench marking our progress alongside our competitors. Our emission intensity ratio has reduced to 0.9, which outlines the steady improvements the Group is making with regards to our emissions whilst also expanding our operational portfolio.

During 2022, the Group implemented several strategies to improve our sustainability performance and reduce our emissions. The Group is implementing a sustainability strategy to ensure we achieve our own internal net zero target prior to 2050.

The Group is installing renewable technology across our owned factory and office roofs to offset consumption. To date over 600 panels producing 310 GWh have been installed providing a saving of circa 65 tons of CO₂ per annum. Over 70% of the Groups static sites are now provided by 100% renewable electricity. This will be pushed across all static sites as soon as feasibly possible. We are also in the process of conducting our ESOS phase 3 report which will provide further insight and guidance on how to reduce emissions.

JRL has implemented an electrification strategy for owned fleet and a ULEZ and EV salary sacrifice scheme in 2022. As it stands the Group has moved 70% of its cars to EV with the rest either diesel/petrol or hybrid. The strategy has been implemented to also consider the country's infrastructure which is not currently sufficient to manage a fully electric car market. The Group is targeting:

- 15% of all company vans to be electric by 2025
- 5% of all company HGVs to be electric by 2028
- All management and company owned vehicles to be electric by 2025.

There has also been further importance placed, and education provided, on driving efficiency. This has seen staff improve their efficiency with a 6 mpg increase. Our fleet continues to meet the requirements for FORS Gold certification.

JRL GROUP HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Other matters and going concern

Nearly three years since the UK left the EU, final decisions are still been agreed on the Ireland/Northern Ireland Protocol (Windsor Framework).

We are pleased to say, in terms of the impact of this on the Group's trading operations, revenue and profitability, we have not felt any significant changes resulting from EU-UK withdrawal agreement.

The Ukraine conflict has caused inflation to soar and its impact on raw material costs continues to be a challenge. The impacts of this on both financial performance and position have been modelled and the results discussed on page 33 of these financial reports. We closely monitor the impacts and risks so that we can make the necessary changes to mitigate these. The Group has no operations in the Ukraine, nor does it source goods or services from the Ukraine.

As the world continues to tackle climate change, we have taken steps in 2022 to align ourselves with the Government target to be carbon neutral by 2050. This has been discussed in detail in the sustainability section on page 15.

The Group has shown great resilience in 2022 with solid results and has a strong order book for 2023 and beyond.

As such, the directors have considered the company's and Group's own financial position and prospects alongside the economic landscape and believe that both continue to remain a going concern. Further details of this are included in the notes to the financial statements.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

Auditor

During the year the company appointed MHA MacIntyre Hudson as the independent auditor. Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

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



.....
Mr K W Keegan
Director

Date: 23.05.2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JRL GROUP HOLDINGS LIMITED

Opinion

We have audited the financial statements of JRL Group Holdings Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated statement of cash flows, the consolidated and company statement of changes in equity and the related notes, 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's affairs as at 31 December 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 Auditor's 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 United Kingdom, including the Financial Reporting Council'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 or 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JRL GROUP HOLDINGS LIMITED
(CONTINUED)**

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.

Opinion 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group 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 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 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JRL GROUP HOLDINGS LIMITED
(CONTINUED)**

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 14, 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 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.

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 Group 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:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

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

JRL GROUP HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JRL GROUP HOLDINGS LIMITED
(CONTINUED)**

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.



Atul Kariya FCCA (Senior Statutory Auditor)

for and on behalf of

MHA

Statutory Auditors

London

Date: 24.05.23

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

JRL GROUP HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Revenue	4	761,290,406	609,984,237
Cost of sales		(657,662,342)	(499,467,375)
Gross profit		103,628,064	110,516,862
Administrative expenses		(89,059,830)	(82,508,223)
Other operating income	5	-	519,937
Operating profit	6	14,568,234	28,528,576
Interest receivable and similar income	9	2,060,329	824,798
Interest payable and similar expenses	10	(3,341,064)	(2,546,492)
Profit before taxation		13,287,499	26,806,882
Tax on profit	11	(1,855,361)	(5,152,669)
Profit for the financial year		11,432,138	21,654,213
Profit for the year attributable to:			
Minority interests		4,832,415	3,488,434
Owners of the parent company		6,599,723	18,165,779
		11,432,138	21,654,213

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 32 to 60 form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	1,355,251	432,888
Tangible assets	13	200,595,865	173,771,456
		<u>201,951,116</u>	<u>174,204,344</u>
Current assets			
Stocks	15	72,551,690	59,008,250
Debtors	16	194,854,405	119,657,801
Cash at bank and in hand	17	116,826,564	122,049,276
		<u>384,232,659</u>	<u>300,715,327</u>
Creditors: amounts falling due within one year	18	(349,722,856)	(253,401,775)
Net current assets		<u>34,509,803</u>	<u>47,313,552</u>
Total assets less current liabilities		<u>236,460,919</u>	<u>221,517,896</u>
Creditors: amounts falling due after more than one year	19	(81,004,656)	(76,761,982)
Provisions for liabilities			
Deferred taxation	23	(8,886,229)	(9,855,992)
Provisions	24	(5,040,000)	(4,500,000)
Net assets		<u>141,530,034</u>	<u>130,399,922</u>
Capital and reserves			
Called up share capital	25	7,976	7,976
Share premium account	26	308,817	308,817
Capital redemption reserve	26	3,300	3,300
Profit and loss account	26	114,965,286	108,365,563
Equity attributable to owners of the parent company		<u>115,285,379</u>	<u>108,685,656</u>
Minority interests		26,244,655	21,714,266
		<u>141,530,034</u>	<u>130,399,922</u>

JRL GROUP HOLDINGS LIMITED
REGISTERED NUMBER: 07046711

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
Mr R J Gleeson
Director

Date: 23.05.2023

The notes on pages 32 to 60 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	14	14,000	14,000
Current assets			
Debtors	16	51,953,655	49,946,380
Cash at bank and in hand	17	179,539	57,382
		<u>52,133,194</u>	<u>50,003,762</u>
Creditors: amounts falling due within one year	18	(48,157,934)	(46,028,502)
Net current assets		<u>3,975,260</u>	<u>3,975,260</u>
Net assets		<u><u>3,989,260</u></u>	<u><u>3,989,260</u></u>
Capital and reserves			
Called up share capital	25	7,976	7,976
Share premium account	26	308,817	308,817
Capital redemption reserve	26	3,300	3,300
Profit and loss account	26	3,669,167	3,669,167
		<u><u>3,989,260</u></u>	<u><u>3,989,260</u></u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The parent company made neither a profit or a loss during the current or prior year.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
Mr R J Gleeson
Director

Date: 23.05.2023

The notes on pages 32 to 60 form part of these financial statements.

JRL GROUP HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Equity attributable to owners of parent company £	Minority interests £	Total equity £
At 1 January 2022	7,976	308,817	3,300	108,365,563	108,685,656	21,714,266	130,399,922
Comprehensive income for the year							
Profit for the year	-	-	-	6,599,723	6,599,723	4,832,415	11,432,138
Total comprehensive income for the year	-	-	-	6,599,723	6,599,723	4,832,415	11,432,138
Distributions to owners							
Dividends	-	-	-	-	-	(302,026)	(302,026)
Total transactions with owners	-	-	-	-	-	(302,026)	(302,026)
At 31 December 2022	7,976	308,817	3,300	114,965,286	115,285,379	26,244,655	141,530,034

The notes on pages 32 to 60 form part of these financial statements.

JRL GROUP HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent company	Minority interests	Total equity
	£	£	£	£	£	£	£
At 1 January 2021	7,976	308,817	3,300	93,208,826	93,528,919	18,850,832	112,379,751
Comprehensive income for the year							
Profit for the year	-	-	-	18,165,779	18,165,779	3,488,434	21,654,213
Total comprehensive income for the year	-	-	-	18,165,779	18,165,779	3,488,434	21,654,213
Distributions to owners							
Dividends	-	-	-	(3,000,000)	(3,000,000)	(625,000)	(3,625,000)
Change in minority interest on disposal	-	-	-	(9,042)	(9,042)	-	(9,042)
Total transactions with owners	-	-	-	(3,009,042)	(3,009,042)	(625,000)	(3,634,042)
At 31 December 2021	7,976	308,817	3,300	108,365,563	108,685,656	21,714,266	130,399,922

The notes on pages 32 to 60 form part of these financial statements.

JRL GROUP HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 January 2021	7,976	308,817	3,300	6,669,167	6,989,260
Distributions to owners					
Dividends	-	-	-	(3,000,000)	(3,000,000)
Total transactions with owners	-	-	-	(3,000,000)	(3,000,000)
At 1 January 2022	7,976	308,817	3,300	3,669,167	3,989,260
At 31 December 2022	7,976	308,817	3,300	3,669,167	3,989,260

The notes on pages 32 to 60 form part of these financial statements.

JRL GROUP HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	11,432,138	21,654,213
Adjustments for:		
Amortisation of intangible assets	121,345	36,382
Depreciation of tangible assets	23,618,332	23,360,905
Profit on disposal of tangible assets	(1,448,837)	(540,733)
Interest charged to income statement	3,341,064	2,546,492
Interest credited to income statement	(2,060,329)	(824,798)
Taxation charge	1,855,361	5,152,669
R&D tax credit accrual	(5,144,525)	(1,464,846)
Increase in stocks	(13,543,440)	(47,303,504)
(Increase)/decrease in debtors	(63,644,132)	46,793,242
Increase in creditors	53,491,590	13,124,547
(Decrease)/Increase in provisions	540,000	1,032,232
Corporation tax (paid)	(488,319)	(2,790,086)
R&D tax credits received	1,927,894	1,067,164
Net cash generated from operating activities	9,998,142	61,843,879
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,043,708)	(216,173)
Purchase of tangible fixed assets	(52,562,508)	(32,578,912)
Proceeds from sale of tangible fixed assets	3,568,604	4,100,000
Interest received	193,836	824,798
Shares acquired from minority interest	-	(9,042)
Net cash from investing activities	(49,843,776)	(27,879,329)

JRL GROUP HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from financing activities		
New secured loans	11,035,201	21,538,662
Repayment of secured loans	(1,629,056)	(1,777,000)
Loans to related parties	(6,124,997)	(1,414,745)
New sale and finance lease back arrangements	28,616,410	13,168,313
Repayment of finance leases	(22,584,776)	(21,152,574)
Repayment of directors' loans	(1,000,000)	(1,000,000)
Movement in directors' loan account	(527,792)	33,619
Dividends paid	-	(3,000,000)
Dividends paid to minority interests	(302,026)	(625,000)
Bank interest paid	(1,609,052)	(1,030,645)
Finance lease interest paid	(1,732,012)	(1,515,847)
Net cash used in financing activities	4,141,900	3,224,783
Net (decrease)/increase in cash and cash equivalents	(35,703,734)	37,189,333
Cash and cash equivalents at beginning of year	92,883,420	55,694,087
Cash and cash equivalents at the end of year	57,179,686	92,883,420
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	116,826,564	122,049,276
Bank overdrafts	(59,646,878)	(29,165,856)
	57,179,686	92,883,420

The notes on pages 32 to 60 form part of these financial statements.

JRL GROUP HOLDINGS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	122,049,276	(5,222,713)	116,826,563
Bank overdrafts	(29,165,856)	(30,481,022)	(59,646,878)
Debt due after 1 year	(41,582,544)	138,553	(41,443,991)
Debt due within 1 year	(10,892,824)	(8,017,006)	(18,909,830)
Finance leases	(55,011,194)	(6,031,634)	(61,042,828)
	<u>(14,603,142)</u>	<u>(49,613,822)</u>	<u>(64,216,964)</u>

The notes on pages 32 to 60 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

JRL Group Holdings Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of its registered office is 4 Elstree Way, Borehamwood, Hertfordshire WD6 1RN and the nature of the company's operations and principal activity are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the company and the parent company would be identical;
- No statement of cash flows has been presented for the parent company;
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") 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 business combinations using the purchase method. In the statement of financial position, 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.3 Going concern

In making their assessment of the ability of the company to continue as a going concern, the directors have prepared financial forecasts for the ultimate parent undertaking, JRL Group Holdings Limited, on a consolidated Group basis for a period in excess of twelve months from the date of these financial statements. These detailed forecasts together with supporting cash flow forecasts take into account the current performance of the Group, the Group's existing forward order book and workload, assessments of current future market conditions and expected new business, together with other risks and uncertainties facing the business. A number of different scenarios of escalating impact and duration have been evaluated in order to assess the impact on profitability, liquidity and the Group's borrowing covenants.

Under all scenarios that the directors evaluated, the Group has sufficient liquidity to meet its obligations as they fall due.

As such, the directors consider the Group has sufficient cash reserves and strength in the balance sheet to demonstrate that the going concern method of preparing the accounts continues to be appropriate. The directors of JRL Group Holdings Limited concluded that the consolidated Group and each individual subsidiary is also a going concern.

In considering the ability of the Group to continue as a going concern the directors have considered the availability of bank finance. Subsidiaries of the Group have bank loans of £8m, £6m and £2.4m falling due for repayment in November 2023, March 2024 and April 2024 respectively. The directors are currently in discussions with its lenders and fully expect that the Group will be able to extend or renew the bank loans if required. In the event that these subsidiaries are unable to extend or renew the loans the directors note that the loans are subject to a guarantee from the ultimate parent undertaking, JRL Group Holdings Limited, and repayment would fall on JRL Group Holdings Limited. The directors are confident under all scenarios that they have modelled that the Group would have significant surplus cash to repay the loans out of cash reserves in the unlikely event that they have not extended or renewed the bank debt with an existing or new lender.

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP, rounded to the nearest £1.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.5 Revenue

The Group's primary activity is construction work carried out during the year. Its revenue is recognised by reference to the stage of completion of the contract at the reporting date.

Revenue from long term contracts includes the amount initially agreed in the contract plus any variations in contract work to the extent that it is probable that the variation will result in revenue that can be reliably measured (usually when instructions have been received from the client) plus any claims recoveries to the extent that negotiations have reached an advanced stage such that it is probable that the customer will accept the claim and the amount can be reliably measured.

All material contracts are subject to monthly review by an external quantity surveyor who is required to certify the work undertaken to date. In addition to this external assessment, a monthly internal review of each project, which considers the stage of completion, an assessment of costs to complete and expected project profitability is conducted. The internal assessment and external survey are compared before determining the revenue and profit or loss to be recognised on each contract.

The value of work completed at the reporting date is assessed by undertaking surveys and completing internal valuations on each element of works completed and in progress. Regular management reviews of contract progress include a comparison of internal valuations to the applications for payment made by supply chain partners and to external valuations completed on behalf of clients. Any material variances are investigated and updates made were appropriate.

Where the outcome of the 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. Contract costs include costs that relate directly to the specific contracts and costs that are attributable to contract activity in general and can be allocated to the contract. Full provision is made for all known or expected losses on individual contracts immediately, once such losses are foreseen.

The gross amount due from customers from contract work, including retentions, is shown as a receivable. The gross amount due comprises costs incurred plus recognised profits less the sum of recognised losses and progress billings. Where the sum of recognised losses and progress billings exceeds costs incurred plus recognised profits, the amount is shown as a liability. Amounts recoverable on construction contracts are stated at cost plus the profit attributable to that contract, less any impairment losses. Progress payments for contracts are deducted from amounts recoverable. Payments in advance on contracts represent amounts received in excess of revenue recognised on contracts and are included under current liabilities.

The Group also undertakes other activities including commissions, sale of goods, rental of equipment and other services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.5 Revenue (continued)

with ownership nor effective control over the goods sold;

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 Group 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.

Rental of equipment

Revenue from rental of equipment is recognised over the period of hire on a straight-line basis.

2.6 Sale and leaseback

The Group enters into a number of lease arrangements, which primarily fall into two categories: "traditional" finance leases and sale and finance lease back arrangements.

Where assets are financed by leasing agreements that give rights approximating to ownership (ie "traditional" finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitments are shown as amounts payable to the lessor. As no cash payment flows from the Group to the supplier of the leased equipment, this transaction does not affect the statement of cash flows on initial recognition. Subsequent to initial recognition, lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the statement of comprehensive income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amount payable to the lease. Depreciation on the relevant assets is charged to the statement of comprehensive income over the shorter of estimated useful economic life and the term of the lease or, where the Group has an option to acquire the asset at the end of the lease term for a nominal sum, over the estimated useful economic life of the asset.

Where a sale and leaseback transaction results in a finance lease, no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a liability and subsequently measured at amortised cost using the effective interest method. In these transactions, the Group's initial purchase of the equipment is reflected as an investing cash out-flow in the statement of cash flows and the proceeds received from the subsequent finance lease back are recognised as a financing cash in-flow.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.7 Government grants

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

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

2.8 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.9 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Finance costs incurred in relation to loans held within development subsidiary companies are capitalised in work in progress over the term of the development, where the costs are separately identifiable and are directly attributable to the acquisition or construction of an asset that takes a substantial period of time to complete. All other finance costs are charged to the consolidated statement of comprehensive income over the term of the loan using the effective interest rate method.

2.10 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

2.11 Pensions

Defined contribution pension plan

The Group operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the consolidated statement of comprehensive income account over its useful economic life. Impairment tests on the carrying value of goodwill are undertaken:

Other intangible assets are included at cost and amortised over their estimated useful life on a straight line basis.

- At the end of the first full financial year following acquisition; and
- In other years if events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives range as follows:

Goodwill	-	10-15 years
Contracts	-	1 year
Computer software	-	3 years

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is *directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.*

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the consolidated statement of comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method and reducing balance methods.

Depreciation is provided on the following basis:

Freehold property	- 50 years straight line
Plant and machinery	- 10 years straight line less 20% residual value/ 25% reducing balance/ 6 years straight line less 20% residual value
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 10 years straight line/ 25% reducing balance
Assets under construction	- no depreciation until brought into use

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 proceeds with the carrying amount and are recognised in the consolidated statement of comprehensive income.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.16 Stocks

Where stocks represent properties under development, stock is stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less additional costs to completion and disposal. Stock includes attributable interest, but excludes certain sales and marketing costs.

All other stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

Long-term contracts are assessed on a contract by contract basis and are reflected in the statement of comprehensive income by recording revenue and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the statement of comprehensive income as the difference between the reported revenue and related costs for that contract.

Amounts recoverable on contracts represent the excess of the value of surveyed work over amounts invoiced or certified at the balance sheet date. Where amounts invoiced or certified at the balance sheet date exceed the amount of work completed, the excess is included within payments on account.

2.17 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.19 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2.21 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.21 Financial instruments (continued)

is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.22 Dividends

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgement:

- Determine where accruals, provisions or contingent liabilities exist for any remedial works required to completed contracts. The directors and senior management assess all construction contracts on a regular basis alongside the Group's surveyors, customer communications and industry developments, and consider if any liability exists. Where a liability is identified, the directors and senior management consider if a probable outflow and reliable estimate exist and record an accrual, provision or contingent liability accordingly.
- Determine whether there are indicators of impairment of the Group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key source of estimation uncertainty:

- Tangible fixed assets (see note 13)

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, product life cycle and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Long term contracts

The Group's revenue recognition and long-term construction and service contracts' policies set out in note 2.5 above. These policies are central to the way in which the Group values the work it has carried out at each reporting date and the estimation of the percentage completion of the contract. These policies require forecasts to be made of the outcome of long-term construction and service contracts, and require assessments and judgements to be made on the recovery and agreements to be made on the recovery and agreement of pre-contract costs, variations in work scopes, claim recoveries, expected contract costs to complete and the progress on contract programmes. The Group has appropriate control procedures in place to ensure estimates are calculated on a consistent basis. These assessments are validated by third party surveyors on behalf of customers who certify the

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Judgements in applying accounting policies (continued)

value of work performed. On a number of contracts, work is completed on a cost-plus basis, so the element of uncertainty is reduced.

Any material differences between the external surveys and the internal assessments are investigated and considered as part of the overall assessment of the stage of completion of the contract.

- Allowance for inventory obsolescence

Factors taken into consideration include the nature and condition of inventory, current economic environment and historic trade patterns in ensuring that stock recoverability is appropriately estimated. The carrying value of finished goods and raw materials is given in note 15.

- Carrying value of inventories (see note 15)

In applying the Group's accounting policy for the valuation of inventories, the directors are required to assess the expected selling price and cost to sell each of the units that constitute the company's work in progress. Costs includes the cost of acquisition of sites, the cost of infrastructure and construction works, and legal and professional fees incurred during development prior to sale. Estimation of the selling price is subject to significant inherent uncertainties, in particular the prediction of future trends in the market value of property.

Whilst the directors exercise due care and attention to make reasonable estimates, taking into account all available information in estimating the future selling price, and costs to complete, the estimates will, in all likelihood, differ from the actual selling prices, and costs achieved in future periods and these differences may in certain circumstances be significant.

- Provisioning for remedial works

The Group exercises judgement in determining the extent to which; it has an obligation (as a result of a past event), the likelihood that a liability will arise, as well as quantifying the possible amount of any outflow of resource to settle the obligation. Where the valuation of a provision for rectification work assumes recovery of cost from third parties, estimates are based on historical costs incurred for the expected work required as well as recoveries based on outcomes achieved on similar contract positions. The Group note there is estimation uncertainty in the valuation of provisions - the inherent uncertainty of such matters means that the actual amount of the transactions may differ materially from the estimates made.

The Group has identified a small number of previous projects where remediation works may be required, please refer to note 24 for further information.

JRL GROUP HOLDINGS LIMITED

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

4. Revenue

All revenue is attributable to providing civil engineering and specialist construction solutions across the UK prime residential and commercial markets, together with delivery of mixed use and public sector construction projects and arises solely within the United Kingdom.

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Construction	647,640,606	516,158,202
Sales of goods	74,834,185	56,540,215
Rental of equipment	31,373,504	31,716,885
Services	7,442,111	5,568,935
	<u>761,290,406</u>	<u>609,984,237</u>

5. Other operating income

	2022 £	2021 £
Government grants receivable - CJRS	-	519,937
	<u>-</u>	<u>519,937</u>

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	23,618,332	23,360,905
Amortisation of intangible assets	121,345	36,382
Profit on sale of tangible fixed assets	(1,448,837)	(540,733)
Fee payable to the Group's auditor and its associates for the audit of the Group and subsidiary companies' annual financial statements	385,000	420,000
Fee payable to the Group's auditor and its associates for preparation of statutory accounts	80,000	81,345
Exchange differences	277,345	359,555
Defined contribution pension cost	2,770,058	2,294,261
Operating lease expense	<u>227,109</u>	<u>71,031</u>

JRL GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Employees

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	102,858,548	81,506,187	-	-
Social security costs	11,380,688	8,719,940	-	-
Cost of defined contribution scheme	2,770,058	2,294,261	-	-
	117,009,294	92,520,388	-	-

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

	Group 2022 No.	Group 2021 No.
Site based staff	1,045	727
Administrative staff	1,052	922
	2,097	1,649

The company has no employees other than the directors, who did not receive any remuneration (2021 - £NIL).

8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	1,326,950	953,070
Company contributions to defined contribution pension schemes	19,667	15,574
	1,346,617	968,644

During the year retirement benefits were accruing to 4 directors (2021 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £413,475 (2021 - £305,869).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,667 (2021 - £2,667).

The directors' remuneration is paid by other Group companies.

The four directors are considered the key management personnel of the Group.

JRL GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Interest receivable

	2022 £	2021 £
Other interest receivable	2,060,329	824,798
	<u>2,060,329</u>	<u>824,798</u>

10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	1,605,870	975,929
Other loan interest payable	-	44,318
Finance leases and hire purchase contracts	1,732,012	1,515,847
Other interest payable	3,182	10,398
	<u>3,341,064</u>	<u>2,546,492</u>

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	1,192,075	(512,970)
Adjustments in respect of previous periods	1,633,049	(678,679)
Total current tax	<u>2,825,124</u>	<u>(1,191,649)</u>
Deferred tax		
Origination and reversal of timing differences	(97,751)	6,344,318
Changes to tax rates	(60,341)	-
Adjustments in respect of previous periods	(811,671)	-
Total deferred tax	<u>(969,763)</u>	<u>6,344,318</u>
Taxation on profit on ordinary activities	<u>1,855,361</u>	<u>5,152,669</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	13,287,499	26,806,882
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	2,524,625	5,093,308
Effects of:		
Expenses not deductible for tax purposes	518,245	350,175
Incentives recognised	(1,948,546)	(1,971,934)
Adjustments in respect of previous periods	821,378	(699,356)
Difference in tax rates	(60,341)	2,380,476
Total tax charge for the year	1,855,361	5,152,669

Factors that may affect future tax charges

The main corporation tax rate in the UK increased from 19% to 25% on 1 April 2023, which has already impacted the rate at which deferred tax is recognised due to this being substantively enacted as at 31 December 2022. This is also expected to increase current tax charges in the future.

JRL GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Intangible assets**Group and Company**

	Contracts £	Computer software £	Goodwill £	Total £
Cost				
At 1 January 2022	500,000	291,515	609,936	1,401,451
Additions	-	76,986	966,722	1,043,708
At 31 December 2022	500,000	368,501	1,576,658	2,445,159
Amortisation				
At 1 January 2022	500,000	830	467,733	968,563
Charge for the year	-	12,174	109,171	121,345
At 31 December 2022	500,000	13,004	576,904	1,089,908
Net book value				
At 31 December 2022	-	355,497	999,754	1,355,251
At 31 December 2021	-	290,685	142,203	432,888

JRL GROUP HOLDINGS LIMITED

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

13. Tangible fixed assets

Group

	Freehold property £	Plant, machinery and motor vehicles £	Office equipment £	Assets under construction £	Total £
Cost or valuation					
At 1 January 2022	58,442,739	218,372,974	8,958,838	88,058	285,862,609
Additions	10,462,253	39,762,996	2,337,259	-	52,562,508
Disposals	(242)	(7,689,962)	-	(82,926)	(7,773,130)
At 31 December 2022	68,904,750	250,446,008	11,296,097	5,132	330,651,987
Depreciation					
At 1 January 2022	4,833,909	102,972,772	4,284,472	-	112,091,153
Charge for the year	1,207,967	20,956,920	1,453,445	-	23,618,332
Disposals	-	(5,653,363)	-	-	(5,653,363)
At 31 December 2022	6,041,876	118,276,329	5,737,917	-	130,056,122
Net book value					
At 31 December 2022	62,862,874	132,169,679	5,558,180	5,132	200,595,865
At 31 December 2021	53,608,830	115,400,202	4,674,366	88,058	173,771,456

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Plant and machinery	72,875,190	71,634,640
	<u>72,875,190</u>	<u>71,634,640</u>

JRL GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Tangible fixed assets (continued)

The depreciation charged on assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Plant and machinery	9,531,026	10,986,146
	<u>9,531,026</u>	<u>10,986,146</u>

14. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	14,000
At 31 December 2022	<u>14,000</u>
Net book value	
At 31 December 2022	<u>14,000</u>
At 31 December 2021	<u>14,000</u>

JRL GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Anglo Swiss Façade Design Limited*	Design Services	Ordinary	100%
Ark Mechanical and Electrical Services Limited*	Mechanical and electrical services	Ordinary	100%
ASFD AG*	Design services	Ordinary	100%
Brighton Marina Premier Lettings Limited*^	Property investment	Ordinary	100%
CEPF II (Woking) Limited*	Property investment	Ordinary	100%
Chiswell Green Equestrian Centre Limited*	Dormant	Ordinary	100%
Elstree Civil Engineering Limited*	Dormant	Ordinary	100%
Foras (Sparkle Street) Limited*	Property development	Ordinary	100%
J Reddington Limited*	Building contractors	Ordinary	93%
JRL Access Limited*	Site access and scaffolding	Ordinary	100%
JRL Brick-Slip Systems Limited*	Specialist façade contractor	Ordinary	100%
JRL Civil Engineering Limited*	Building contractors	Ordinary	100%
JRL Construction Management Limited	Holding company	Ordinary	100%
JRL Demolition Limited*	Demolition contractors	Ordinary	100%
JRL Drylining Limited*	Drylining contractors	Ordinary	100%
JRL Engineering Vietnam Company Limited*	Design services	Ordinary	100%
JRL Environmental Limited*	Waste disposal and recycle	Ordinary	100%
JRL Fabrications FZ-LLC*	Manufacturing metal products and metal sections & profiles	Ordinary	100%
JRL GH Façades Limited*	Specialist façade contractor	Ordinary	100%
JRL Modular Limited*	Specialist façade contractor	Ordinary	100%
JRL Group (Ireland) Limited^	Holding company	Ordinary	100%
JRL Group Limited	Holding company	Ordinary	100%
JRL Plant and Logistics Limited*	Plant hire, transport and concrete pumping	Ordinary	92%
JRL Property (2) Limited*^	Property investment	Ordinary	100%
JRL Property (4) Limited*	Dormant	Ordinary	100%
JRL Property (5) Limited*	Dormant	Ordinary	100%
JRL Property (6) Limited*	Dormant	Ordinary	100%
JRL Property (Biggleswade) Limited*^	Property investment	Ordinary	100%
JRL Property (Camley Street) Limited*^	Property investment	Ordinary	100%
JRL Property (Carlton Works) Limited^	Property investment	Ordinary	100%
JRL Property (Castle Street) Limited*	Property investment	Ordinary	100%
JRL Property (Colwick) Limited*^	Property investment	Ordinary	100%
JRL Property (Coventry) Limited*^	Property investment	Ordinary	100%
JRL Property (Cumberland Street) Limited*	Property investment	Ordinary	100%
JRL Property (Elstree Way) Limited*^	Property investment	Ordinary	100%
JRL Property (Frederick Street) Limited*^	Property investment	Ordinary	100%
JRL Property (London) Limited*^	Property investment	Ordinary	100%

JRL GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

Name	Principal activity	Class of shares	Holding
JRL Property (Peterborough) Limited**	Property investment	Ordinary	100%
JRL Property (Portadown) Limited**	Dormant	Ordinary	100%
JRL Property (Putney) Limited**	Property investment	Ordinary	100%
JRL Property (Sandy) Limited*	Dormant	Ordinary	100%
JRL Property (Skelmersdale) Limited**	Property investment	Ordinary	100%
JRL Property (South East) Limited**	Property investment	Ordinary	100%
JRL Property (Southwark) Limited**	Property investment	Ordinary	100%
JRL Property (Sutton) Limited*	Property investment	Ordinary	100%
JRL Property (Trent) Limited**	Property investment	Ordinary	100%
JRL Property (Whittlesey) Limited**	Property investment	Ordinary	100%
JRL Property (Woking) Limited*	Property investment	Ordinary	100%
JRL Property Holdings Limited*	Holding company	Ordinary	75%
JRL Property Limited**	Property investment	Ordinary	100%
JRL Structures Limited*	Civil engineering and construction	Ordinary	100%
JRL Trading (3) Limited*	Dormant	Ordinary	100%
JRL Woking Gateway Limited*	Property development	Ordinary	100%
London Concrete Pumping Limited*	Concrete pumping services	Ordinary	100%
London Tower Crane Hire & Sales Limited	Operation of tower cranes	Ordinary	75%
McMullen Façades Limited*	Construction of glass façades	Ordinary	100%
Midgard Limited*	Building contractors	Ordinary	85%
Midgard Brighton Marina Limited*	Building contractors	Ordinary	100%
Midgard City Limited*	Building contractors	Ordinary	100%
Midgard Construction Limited*	Building contractors	Ordinary	100%
Midgard Design Services Limited*	Design services	Ordinary	100%
Midgard Public Sector Limited*	Building contractors	Ordinary	100%
Quantum Gate Limited*	I.T. solutions	Ordinary	100%
Slipstructures Limited*	Slipform solutions	Ordinary	100%
Stair Master Limited*	Formwork fabrication	Ordinary	96%
Thames Reinforcements Limited*	Steel fabrication	Ordinary	84%
Trent Reinforcements Limited*	Dormant	Ordinary	100%
Trent Precast Concrete Limited*	Specialist precast concrete	Ordinary	89%
Trent SFS Limited*	Steel frame systems	Ordinary	100%
UK Façades Limited*	Construction of envelope packages	Ordinary	100%
WE Closing Limited*	Dormant	Ordinary	100%
Woodland Environmental Limited*	Civil engineering and construction	Ordinary	100%

JRL GROUP HOLDINGS LIMITED

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

14. Fixed asset investments (continued)

Subsidiary undertakings (continued)

* held indirectly

^ Denotes subsidiaries which have taken advantage of the parent company guarantee exemption to prepare unaudited accounts in accordance with s479A of the Companies Act 2006.

All subsidiaries, apart from Midgard Construction Limited, ASFD AG, JRL Engineering Vietnam Company Limited and JRL Fabrications FZ-LLC, are incorporated in England and Wales and have the same registered office address as the company (see company information page).

Midgard Construction Limited is incorporated in Ireland and its registered office address is Greyfair Lodge, 5 Greyfairs, Waterford, Ireland.

ASFD AG is incorporated in Switzerland and its registered office address is Barfusserplatz 3, 4051 Basel, CHE-246.052.770, Switzerland.

The registered address of JRL Engineering Vietnam Company Limited is The Prince Residence, No. 19,21 Nguyen Van Troi, Ward 11, Phu Nhuan District, Ho Chi Minh City. 0921870410.

The registered address of JRL Fabrications FZ-LLC is PLK 183, Al Ghail Industrial Zone-FZ RAK, Ras Al Khaimah, United Arab Emirates.

During the year, the registered name of JRL Trading (1) Limited was changed to JRL Modular Limited and JRL Trading (2) Limited to JRL GH Facades Limited.

15. Stocks

	Group 2022 £	Group 2021 £
Raw materials and consumables	26,712,862	17,025,021
Work in progress	1,518,259	497,457
Finished goods and goods for resale	1,034,803	2,111,770
Development property	43,285,766	39,374,002
	72,551,690	59,008,250

Stock recognised in the statement of comprehensive income as cost of sales during the year was £NIL (2021 - £NIL)

Development property includes £1,514,018 (2021 - £516,103) as capitalised bank interest.

JRL GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due after more than one year				
Trade debtors	18,381,462	11,148,137	-	-
Due within one year				
Trade debtors	82,110,643	63,111,530	-	-
Amounts owed by group undertakings	-	-	46,237,934	44,360,660
Amounts owed by related parties	13,293,416	7,168,419	5,700,000	5,570,000
Other debtors	3,166,006	3,190,786	15,721	15,720
Directors' current accounts	248,446	364,625	-	-
Prepayments and accrued income	15,802,735	11,906,171	-	-
Amounts recoverable on long-term contracts	42,067,084	8,849,142	-	-
Corporation tax repayable	15,366,985	11,806,002	-	-
VAT recoverable	4,417,628	2,112,989	-	-
	194,854,405	119,657,801	51,953,655	49,946,380

The Group classify retentions due on long term contracts within trade debtors.

17. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	116,826,564	122,049,276	179,539	57,382
Less: bank overdrafts	(59,646,878)	(29,165,856)	-	-
	57,179,686	92,883,420	179,539	57,382

JRL GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Directors' loan account	-	1,000,000	-	-
Bank overdrafts	59,646,878	29,165,856	-	-
Bank loans	18,909,830	9,892,824	-	-
Payments received on account	14,764,431	21,639,101	-	-
Trade creditors	142,271,319	91,725,572	-	-
Amounts owed to group undertakings	-	-	48,155,934	46,025,502
Amounts owed to related parties	42,040	42,314	-	-
Corporation tax	6,920,787	4,239,630	-	-
Other taxation and social security	5,605,959	6,334,104	-	-
Obligations under finance lease and hire purchase contracts	21,482,163	19,831,856	-	-
Other creditors	16,712,304	12,411,216	2,000	3,000
Accruals and deferred income	63,367,145	57,119,302	-	-
	349,722,856	253,401,775	48,157,934	46,028,502

The bank loans are secured against the assets of certain companies within the Group, as detailed in note 30.

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

Obligations under finance leases are secured on the assets to which they relate.

19. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £
Directors' loans	-	527,792
Bank loans	41,443,991	41,054,852
Obligations under finance leases and hire purchase contracts	39,560,665	35,179,338
	81,004,656	76,761,982

The bank loans are secured against the assets of certain companies within the Group, as detailed in note 30.

Obligations under finance leases are secured on the assets to which they relate.

JRL GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Loans

Analysis of the maturity of loans is given below:

	Group 2022 £	Group 2021 £
Amounts falling due within one year		
Bank loans	18,909,830	9,892,824
Directors' loan account	-	1,000,000
Amounts falling due 1-2 years		
Bank loans	20,353,462	1,890,323
Directors' loans	-	527,792
Amounts falling due 2-5 years		
Bank loans	21,090,529	39,164,529
	60,353,821	52,475,468

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £	Group 2021 £
Within one year	21,482,163	19,831,856
Between 1-5 years	16,307,141	16,189,755
Over 5 years	23,253,524	18,989,583
	61,042,828	55,011,194

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Financial assets measured at fair value through profit or loss	116,826,564	122,049,276	179,539	57,382
Financial assets that are debt instruments measured at amortised cost	161,791,143	102,391,526	51,953,654	49,946,380
	278,617,707	224,440,802	52,133,193	50,003,762
Financial liabilities				
Financial liabilities measured at amortised cost	(366,079,606)	(273,713,045)	(48,157,934)	(46,028,502)

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors, amounts owed by Group companies and related parties, directors' loan accounts, amounts recoverable on long term contracts and accrued income.

Financial liabilities measured at amortised cost comprise trade and other creditors, amounts owed to Group companies and related parties, bank loans and overdrafts, directors' loans, amounts payable under finance leases and hire purchase contracts and accruals.

JRL GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

23. Deferred taxation**Group**

	2022 £	2021 £
At beginning of year	(9,855,992)	(3,511,674)
Charged to profit or loss	969,763	(6,344,318)
At end of year	(8,886,229)	(9,855,992)

	Group 2022 £	Group 2021 £
Accelerated capital allowances	(16,765,467)	(9,855,992)
Tax losses carried forward	7,822,714	-
Other timing differences	56,524	-
	(8,886,229)	(9,855,992)

24. Provisions**Group**

	Provision for remedial work £
At 1 January 2022	4,500,000
Charged to the consolidated statement of comprehensive income	540,000
At 31 December 2022	5,040,000

The Group has assessed previously completed projects to determine if remediation works may be required. The Group's assessment is that the £5.04m provision reflects the expected outflow of economic benefit from the Group to complete the remedial works on the legacy schemes reviewed. Further details are not disclosed, as due to the ongoing nature of discussions with third parties, any disclosure could be seriously prejudicial. The directors do not expect the provision will be settled within the next twelve months. No asset has been recognised in relation to expected reimbursement.

JRL GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

25. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,276 (2021 - 1,276) Ordinary shares of £1.00 each	1,276	1,276
3,400 (2021 - 3,400) Ordinary A shares of £1.00 each	3,400	3,400
3,300 (2021 - 3,300) Ordinary B shares of £1.00 each	3,300	3,300
	<hr/> 7,976 <hr/>	<hr/> 7,976 <hr/>

All shares having voting rights with rights to dividends.

26. Reserves**Share premium account**

The share premium account represents amounts subscribed for share capital in excess of nominal value.

Capital redemption reserve

The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.

Profit and loss account

The profit and loss account reflects net gains and losses and transactions with owners not recognised elsewhere.

27. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £2,770,058 (2021 - £2,294,261). Contributions totalling £677,940 (2021 - £795,233) were payable to the fund at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

28. Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the Group.

During the year, the Group made sales of £86,432 to (2021 - £34,309) and made purchases of £NIL (2021 - £11,449) from Euston Road Limited. At 31 December 2022, there is an amount due from Euston Road Limited of £3,210 (2021 - £2,716)) as a result of trading in the normal course of business. The company is related by virtue of common directorship.

During the year, the Group made sales of £441,797 to (2021 - £399,324) and made purchases of £377,519 (2021 - £417,316) from Elstree Ink Limited. At 31 December 2022, there is an amount due from Elstree Ink Limited of £4,943,427 (2021 - £691,245) and an amount due to Elstree Ink Limited of £59,484 (2021 - £18,490) as a result of trading in the normal course of business. The company is related by virtue of common directorship.

During the year, the Group made sales of £252,367 to (2021 - £92,116) and made purchases of £86,076 (2021 - £20,980) from Hilti Air Limited. At 31 December 2022, there is an amount due from Hilti Air Limited of £254,452 (2021 - £32,961) and an amount due to Hilti Air Limited of £77,820 (2021 - £8,331) as a result of trading in the normal course of business. The company is related by virtue of common directorship.

At 31 December 2022, there is an amount due from Stanborough Holdings Limited (formerly John Reddington Limited) of £1,945,286 (2021 - £795,286) as a result of trading in the normal course of business. The company is related by virtue of common directorship.

At 31 December 2022, there is an amount due from Tightime (Chapelizod) Limited of £3,370 (2021 - £4,229) as a result of trading in the normal course of business. The company is related by virtue of common directorship.

At 31 December 2022, there is an amount due from Tightime (Donaghmede) Limited of £3,507 (2021 - £3,326) as a result of trading in the normal course of business. The company is related by virtue of common directorship.

At 31 December 2022, there is an amount due from Tightime (Dublin) Limited of £26,948 (2021 - £2,580,941) as a result of trading in the normal course of business. The company is related by virtue of common directorship.

At 31 December 2022, there is an amount due from Miller Piling Limited of £5,000 (2021 - £NIL) as a result of trading in the normal course of business. The company is related by virtue of common directorship.

At 31 December 2022, there is an amount due from Euston Road Limited of £5,700,000 (2021 - £5,570,000) as a result of non-trading activities. The company is related by virtue of common directorship.

JRL GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

28. Related party transactions (continued)

	Current account balance £	Loan balance £	Total due to related parties £
2022			
Mr J J Reddington	(384,410)	-	(384,410)
Mr K W Keegan	(520,691)	-	(520,691)
	<u>(905,101)</u>	<u>-</u>	<u>(905,101)</u>
2021			
Mr J J Reddington	2,288,867	(825,021)	1,463,846
Mr K W Keegan	(2,378,787)	(702,771)	(3,081,558)
	<u>(89,920)</u>	<u>(1,527,792)</u>	<u>(1,617,712)</u>

The directors' loan balances are unsecured interest free and repayable on demand.

29. Controlling party

In the opinion of the directors, there is no single controlling party.

30. Guarantees

The company and Group has entered into a cross guarantee with a number of other Group companies to secure the Group's overdraft facility.

The Group has entered into a fixed and floating charge over its assets and liabilities in favour of the overdraft facility provider.

The Group's property borrowings are guaranteed by its ultimate parent company (totalling £60.4m as at 31 December 2022 (2021 - £50.9m)).