



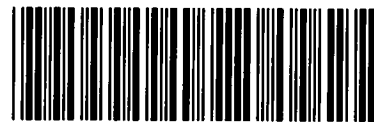
Muir Construction Ltd

Annual report and financial statements

Registered number SC055449

30 January 2022

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Directors and advisers

Directors

J W Muir
C Muir
R W Muir
A C Muir
G Donaldson
P Reel
D Fairweather
M Cunningham

Secretary

JSH Watt

Auditor

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Solicitor

Brodies LLP
58 Morrison Street
Edinburgh
EH3 8BP

Registered office

Muir House
Belleknowes Industrial Estate
Inverkeithing
Fife
KY11 1HY

Strategic Report

Principal activities and business review

The principal activity of the company is that of building contractors. The company expects to continue this activity for the foreseeable future.

For the director's consideration of Going Concern see note 1.

Results for the year

The financial results for the year are set out in the financial statements and show a profit after tax for the year of £1,039,000 (2021: profit £976,000).

Operating performance and key performance indicators

Operating performance

	2022 £000	2021 £000
Turnover	53,716	38,917
Gross profit	3,046	2,891
Operating profit	1,391	1,114
Profit before tax	1,398	1,268
Profit after tax	1,039	976
Net assets	10,510	9,471

Key Performance Indicators

Turnover growth £000s	14,799	2,913
Gross margin %	5.7%	7.4%
Operating profit%	2.6%	2.9%

Principal risks and uncertainties

The Company is susceptible to the market conditions driving new property demand:

Key personnel - the company performance is at risk if it fails to retain or recruit key employees. The company has in place first class remuneration, benefits and incentive packages along with personal development and training plans.

Section 172 Companies Act Statement

Overview

The company's aim is to build sustained profits in an ethical manner over the long term. It aims to achieve this by delivering high quality projects that are completed on time and within budget. This can only be achieved by a highly motivated and well trained workforce working in collaboration with clients, supply chain partners, local communities and other stakeholders. All this is done in a way that is good for our environment.

Stakeholders

The board actively engages with a wide range of stakeholders who have an impact across the group.

The shareholding of Muir Group Plc, of which Muir Construction Limited is a subsidiary, is vested in the Muir family and the family maintain a very active role in the management of the business and engagement with the requisite stakeholders.

Strategic Report *(continued)*

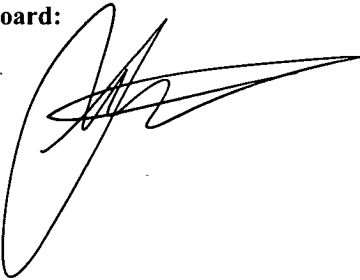
Strategy and future development

The over-riding objective is to deliver sustained growth in shareholder value through organic growth, achieved alongside implementing best practice in health & safety, employee development, environmental improvement and creditor payment policies. In addition, it is planned to increase the volume of business with partner clients and subcontractors whilst retaining the competitive edge required in the tender market.

By order of the board:

JSH Watt
Secretary

23 August 2022

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a series of loops and a long horizontal stroke extending to the right.

Directors' report

The directors submit their report and audited financial statements for the year ended 30 January 2022.

Dividend

No interim dividend was paid (2021: £nil) in respect of the year ended 30 January 2022. The directors recommend the payment of a final dividend for the year of £nil (2021: £nil).

Directors

The directors of the company are shown on page 1. All directors served throughout the year and to the date of this report with the exception of M Cunningham who was appointed on 23 April 2021.

Employee Involvement

The company has an active policy of communicating with its staff and keeping employees informed regarding its achievements and prospects. Employees are kept informed of company matters through the Muir Intranet, company websites, notice boards, in house team briefings, informal meetings and formal staff seminars. The directors are also committed to developing genuine and effective involvement in the group's activities.

Client and supply chain engagement

The company places considerable value on engagement with its clients and supply chain.

The directors, senior management and business development teams meet clients and potential clients on a regular basis. Contracts are either bid via tenders or negotiated with clients by senior management and business development directors.

The majority of supply chain procurement is via subcontractors and directors and senior managers undertake regular engagement with all current and potential subcontractors.

Disclosure of information to auditor

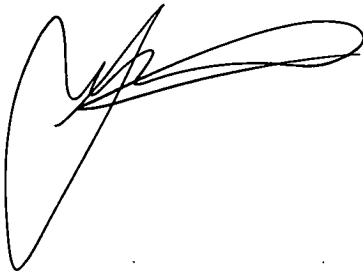
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

JSH Watt
Secretary



Muir House
Belleknowes Industrial Estate
Inverkeithing
Fife
KY11 1HY

23 August 2022

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Muir Construction Limited

Opinion

We have audited the financial statements of Muir Construction Ltd ("the company") for the year ended 30 January 2022 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 January 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with the UK accounting standards including FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going Concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Independent auditor's report to the members of Muir Construction Ltd (continued)

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that management may be in a position to make inappropriate accounting entries and
- the risk of bias in accounting entries.

We did not consider there to be a fraud risk related to revenue recognition due to there being limited incentives, rationalisations and/or opportunities to fraudulently adjust revenue recognition.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Independent auditor's report to the members of Muir Construction Ltd (continued)

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

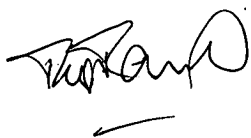
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Hugh Harvie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG

25 August 2022

Profit and Loss Account and Other Comprehensive Income

for the year ended 30 January 2022

	Note	2022 £000	2021 £000
Turnover	2	53,716	38,917
Cost of sales		(50,670)	(36,026)
Gross profit		3,046	2,891
Administrative expenses		(1,764)	(1,929)
Other operating income	3	109	152
Operating profit		1,391	1,114
Interest receivable and similar income	7	7	154
Profit before taxation		1,398	1,268
Tax on profit	8	(359)	(292)
Profit for the financial year		1,039	976

The company has no items of other comprehensive income other than the results for the current and prior financial years as set out above.

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

The notes on pages 12 to 21 form part of these financial statements.

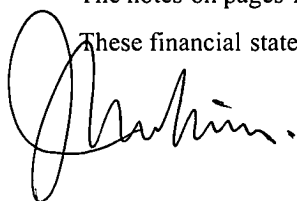
Balance Sheet

at 30 January 2022

	Note	2022 £000	£000	2021 £000	£000
Fixed assets					
Tangible assets	9	3,161		3,606	
			3,161		3,606
Current assets					
Stocks	10	268		280	
Debtors	11	17,444		14,085	
Cash at bank and in hand	12	5,573		4,145	
		23,285		18,510	
Current liabilities					
Creditors: amounts falling due within one year	13	(15,594)		(12,356)	
Net current assets			7,691		6,154
Total assets less current liabilities			10,852		9,760
Provision for liabilities					
Deferred tax	14	(342)		(289)	
			(342)		(289)
Net assets			10,510		9,471
Capital and reserves					
Called up share capital	15	1		1	
Profit and loss account		9,486		8,447	
Revaluation reserve		1,023		1,023	
Shareholders' funds			10,510		9,471

The notes on pages 12 to 21 form part of these financial statements.

These financial statements were approved by the board of directors on 23 August 2022 and are signed on its behalf by:



JW Muir
Director

Statement of Changes in Equity

at 30 January 2022

	Called up share capital £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
Balance at 2 February 2020	1	1,023	7,471	8,495
Total comprehensive income for the period				
Profit for the year	-	-	976	976
Total comprehensive income for the period	-	-	976	976
Balance at 31 January 2021	1	1,023	8,447	9,471

	Called up share capital £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
Balance at 31 January 2021	1	1,023	8,447	9,471
Total comprehensive income for the period				
Profit for the year	-	-	1,039	1,039
Total comprehensive income for the period	-	-	1,039	1,039
Balance at 30 January 2022	1	1,023	9,486	10,510

The notes on pages 12 to 21 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Muir Construction Ltd (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with the Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (FRS102). The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent company, Muir Group Plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Muir Group Plc are prepared in accordance with FRS 102 and are available to the public and may be obtained from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

In these financial statements, the company is considered to be a qualifying entity (for the purpose of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

As a wholly owned subsidiary of Muir Group Plc the company is exempt from the requirements of FRS102.33 to disclose transactions with other members of the group headed by Muir Group Plc.

Judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 19.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

At 30 January 2022, the company had net current assets and net assets of £7,691,000 and £10,510,000 respectively and recorded a profit for the year then ended of £1,039,000.

The Directors have prepared a going concern assessment for a period covering at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 and other economic uncertainty, on the operations and its financial resources, the Company will have sufficient funds to meet its liabilities as they fall due for that period. Reasonably possible downsides evaluated include reduced construction activity.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.4 Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

buildings	25 years
plant and equipment	4 -8 years
motor vehicles	3 -5 years
fixtures and fittings	3 -5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.5 Construction contract debtors

Construction contract debtors represent the gross billed and unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date (see turnover accounting policy) less a provision for foreseeable losses and less progress billings. Variations are included in contract revenue when they are reliably measurable and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Claims are included in contract revenue only when they are reliably measurable and negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity.

Construction contract debtors are presented as part of debtors in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as accruals and deferred income in the balance sheet.

Notes (continued)

1 Accounting Policies (continued)

1.6 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.7 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Group Plans

The company participates in a group wide defined benefit scheme operated by JW Muir Group Plc. The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, accounts for the scheme as if it were a defined contribution scheme. Contributions payable are charged to profit and loss account in the year they are payable.

1.8 Turnover

Turnover is the invoiced value of work done.

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Notes (continued)

1 Accounting Policies (continued)

1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

1.10 Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

1.11 Contingent Liabilities

In order to discharge liabilities with local authorities for the construction of roads and to meet commercial obligations in respect of construction contracts, the company is required to put in place contract performance securities until such time as the local authority confirms the liability is discharged or in the case of commercial contracts, the contract has reached practical completion.

2 Turnover

Turnover and profits before taxation are derived from the company's principal activity. All turnover is earned in the United Kingdom.

	2022 £000	2021 £000
Construction	53,716	38,917
	<u>53,716</u>	<u>38,917</u>

3 Other operating income

	2022 £000	2021 £000
Net gain on disposal of tangible fixed assets	109	152
	<u>109</u>	<u>152</u>

Notes (continued)

4 Expenses and auditor's remuneration

Included in the profit are the following:

	2022 £000	2021 £000
Hire of plant and machinery	2,279	2,060
Depreciation	735	819
	<u>2,279</u>	<u>2,060</u>

Auditor's remuneration:

	2022 £000	2021 £000
Audit of these financial statements		
Amounts receivable by the company's auditor and its associates in respect of:		
Audit of financial statements of the company	29	27
Taxation compliance services	7	4
	<u>29</u>	<u>27</u>

5 Staff numbers and costs

	2022 No	2021 No
Average number of employees:		
Management & administration	59	61
Operations	36	40
	<u>95</u>	<u>101</u>
	<u>£000</u>	<u>£000</u>
Wages and salaries	4,516	4,430
Social security costs	493	507
Contributions to defined contribution plans	241	235
	<u>5,250</u>	<u>5,172</u>

The company is a member of a group pension scheme, which provides benefits based on final pensionable pay. The scheme has been accounted for, in these financial statements, as if it was a defined contribution scheme.

6 Directors' remuneration

	2022 £000	2021 £000
Emoluments	625	522
Company contributions to defined contribution pension schemes	47	40
	<u>672</u>	<u>562</u>

Notes (continued)

6 Directors' remuneration (continued)

The aggregate of emoluments and amounts receivable of the highest paid director were £214,000 (2021: £193,000) and company pension contributions of £17,000 (2021: £14,000) were made to a defined contribution scheme on his behalf.

	Number of directors 2022	2021
Retirement benefits are accruing to the following number of directors under:		
Defined contribution schemes	4	3

7 Interest receivable and similar income

	2022 £000	2021 £000
Interest receivable on deposits	-	16
Interest receivable from group undertakings	7	3
Other interest receivable	-	135
Total interest receivable and similar income	7	154

8 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2022 £000	£000	2021 £000	£000
<i>Current tax</i>				
Current tax on income for the period	305		279	
Adjustments in respect of prior periods	1		(1)	
Total current tax		306		278
<i>Deferred tax (see note 14)</i>				
Origination and reversal of timing differences	(28)		(17)	
Adjustment in respect of prior year periods	(1)		(1)	
Change in tax rate	82		32	
Total deferred tax		53		14
Total tax		359		292

	Current tax £000	2022 Deferred tax £000	Total tax £000	Current tax £000	2021 Deferred tax £000	Total tax £000
Recognised in Profit and loss account	306	53	359	278	14	292
Total tax	306	53	359	278	14	292

Notes (continued)

8 Taxation (continued)

Analysis of current tax recognised in profit and loss

	2022 £000	2021 £000
UK corporation tax	306	278
Total current tax recognised in profit and loss	<u>306</u>	<u>278</u>

Reconciliation of effective tax rate

	2022 £000	2021 £000
Profit for the year	1,039	976
Total tax expense	<u>359</u>	<u>292</u>
Profit excluding taxation	1,398	1,268
Tax using the UK corporation tax rate of 19.0% (2021: 19.0%)	266	241
<i>Effects of:</i>		
Depreciation on assets not qualifying for capital allowances	19	19
Difference between capital allowances and depreciation	(12)	-
Non-deductible expenses	4	2
Change in tax rate	82	32
Adjustment in respect of prior years	-	(2)
Total tax expense included in profit or loss	<u>359</u>	<u>292</u>

Factors that may affect future current and total tax charges

In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge.

9 Tangible fixed assets

	Freehold land and buildings £000	Furniture and Fittings £000	Plant and equipment £000	Motor vehicles £000	Total £000
Cost					
At beginning of year	3,250	1,500	5,035	1,319	11,104
Additions	-	116	82	102	300
Disposals	-	(1,171)	(97)	(122)	(1,390)
At end of year	<u>3,250</u>	<u>445</u>	<u>5,020</u>	<u>1,299</u>	<u>10,014</u>
Depreciation					
At beginning of year	1,307	1,466	4,111	614	7,498
Charge for year	113	31	347	244	735
Disposals	-	(1,171)	(96)	(113)	(1,380)
At end of year	<u>1,420</u>	<u>326</u>	<u>4,362</u>	<u>745</u>	<u>6,853</u>
Net book value					
At beginning of year	1,943	34	924	705	3,606
At end of year	<u>1,830</u>	<u>119</u>	<u>658</u>	<u>554</u>	<u>3,161</u>

Notes (continued)

10 Stocks

	2022 £000	2021 £000
Raw materials and consumables	5	2
Work in progress	263	278
	<u>268</u>	<u>280</u>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £280,000 (2021: £67,000).

11 Debtors

	2022 £000	2021 £000
Trade debtors	420	329
Construction contract debtors	8,940	4,281
Amounts owed by parent company	6,782	6,047
Amounts owed by group undertakings	801	2,286
Amounts owed by related parties in which the company and group has a participating interest	439	295
Other debtors	-	737
Prepayments and accrued income	62	110
	<u>17,444</u>	<u>14,085</u>

12 Cash and cash equivalents

	2022 £000	2021 £000
Cash at bank and in hand	<u>5,573</u>	<u>4,145</u>

13 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	9,164	6,156
Amounts owed to group undertakings	24	-
Amounts owed to related parties in which the company and group has a participating interest	-	1
Taxation and social security	1,126	391
Corporation tax	305	280
Accruals and deferred income	4,170	5,145
Other creditors	805	383
	<u>15,594</u>	<u>12,356</u>

Notes (continued)

14 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2022	2021	2022	2021	2022	2021
	£000	£000	£000	£000	£000	£000
Accelerated capital allowances	-	-	(384)	(329)	(384)	(329)
Other short term timing differences	42	40	-	-	42	40
Tax assets /(liabilities)	42	40	(384)	(329)	(342)	(289)

15 Capital and reserves

Share Capital

In number of shares

Ordinary shares

In issue at 31 January 2021 and 30 January 2022

100

Allotted, called up and fully paid

100 ordinary shares of £1 each

2022	2021
£	£
100	100

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

16 Contingent liabilities

The company has given indemnities amounting to £5,273,000 (2021: £2,746,000) in respect of contract performance bonds.

17 Pensions

Defined contribution plans

The Company operates a defined contribution pension plan, the assets of which are held in separate trustee administered funds.

Defined benefit plans

A defined benefit scheme is operated by JW Muir Group Plc and the company is unable to identify its share of the underlying assets and liabilities. The scheme is closed to new entrants and has ceased future accruals of benefits. The net pension liability is recognised in the balance sheet of JW Muir Group Plc in accordance with FRS 102. JW Muir Group Plc make contributions to the scheme on the advice of an independent actuary to ensure the scheme's assets are sufficient to cover future liabilities.

At 30 January 2022 contributions totalling £400,000 (2021: £400,000) were payable by JW Muir Group Plc to the defined benefit scheme.

Notes (continued)

18 Related Party Transactions

Receivables

Company	Sales To		Admin Fee Income	
	2022 £000	2021 £000	2022 £000	2021 £000
JW Muir (Property Investments) Limited	63	70	48	31
Scarborough Muir Group Limited	464	637	-	-
Total	<u>527</u>	<u>707</u>	<u>48</u>	<u>31</u>

Company	Receivables Outstanding		Creditors Outstanding	
	2022 £000	2021 £000	2022 £000	2021 £000
Scarborough Muir Group Limited	439	294	-	-
JW Muir (Property Investments) Limited	-	1	-	-
Muir Financial Investments Limited	-	-	-	1
Total	<u>439</u>	<u>295</u>	<u>-</u>	<u>1</u>

All companies are a related party by virtue of a common ultimate shareholder.

19 Accounting estimates and judgements

Key sources of estimation uncertainty

Construction contracts

Revenue and cost of sales in relation to long term contracts are estimated based on the stage of completion. This estimate is reflected in the margin recognised on developments and in the amounts recoverable on long term contracts. Amounts recoverable on contracts are kept under constant review.

20 Parent company

The Company is a subsidiary undertaking of JW Muir Group Plc. The ultimate controlling party is Mr J W Muir.

The largest group in which the results of the Company are consolidated is that headed by Muir Group Plc incorporated in Scotland. The consolidated financial statements of this company are available to the public and may be obtained from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.