

COMPANIES HOUSE  
27 MAR 2023  
EDINBURGH MAILBOX

**Robertson CE Limited**

**Annual Report and Financial Statements**  
**Registered number SC249935**  
**Year ended 30 June 2022**



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## Company information

|                   |  |
|-------------------|--|
| Directors         | W G Robertson<br>E C Robertson<br>I Wilson<br>B McQuade  |
| Secretary         | R I Campbell   |
| Company number    | SC249935   |
| Registered office | 10 Perimeter Road<br>Pinefield Industrial Estate<br>Elgin<br>IV30 6AE  |
| Auditor           | RSM UK Audit LLP<br>Chartered Accountants<br>Third Floor, Centenary House<br>69 Wellington Street<br>Glasgow<br>G2 6HG |
| Bankers           | Santander UK plc<br>Ground Floor, 301 St. Vincent Street<br>Glasgow<br>G2 5HN  |
| Solicitors        | Addleshaw Goddard LLP<br>Exchange Tower<br>19 Canning Street<br>Edinburgh<br>EH3 8EH                                   |

## Strategic Report

### Principal activities

Robertson CE Limited, which is fully owned by Robertson Construction Group Limited, provides construction services to clients primarily in the north of England. Its aim is to identify opportunities early in their development to enable it to work in partnership with - and deliver best value for - its clients and wherever possible, establish long term relationships with them.

Robertson CE Limited augments the services offered with complimentary higher margin building services, civil engineering and specialist service businesses enabling the company to move into new markets.

### Business Review

During the year ended 30 June 2022, the company has produced a pre-tax profit of £8.7m (2021: £5.4m) for its shareholder.

The company made an interim dividend payment of £4.1m (2021: £3.7m). The directors do not recommend payment of a final dividend.

The company's net cash balance decreased by £2.3m to £18.8m, while the net asset position increased to £5.3m from £2.4m.

The company's strategy has been developed on the following three main areas of focus:

#### 1) Business Development

The company continues to develop and strengthen its business development function focusing on using the knowledge of the market to target specific market sectors and key clients within those sectors. Through this process we also identify opportunities where there is scope to use our broad range of products and services. We can provide innovative delivery solutions, therefore, improving value for money delivery for clients and enhancing sustainable returns for the company. The function also actively looks to identify opportunities to expand our product and service offering where this leads to delivery of higher margin returns.

#### 2) Operational Performance

The strategy of the company must include a key focus on operational performance where we aim to deliver high quality outcomes for all our customers. We continually look at our efficiency and challenge our cost base to deliver the desired commercial return. We are fortunate to have developed a significant internal and external supply chain and through innovation can identify and implement new ways of completing processes and projects to maintain a competitive edge.

Reflecting on poor outcomes of some of the major players in our sector in recent years, our on-going assessment of risk requires us to continually assess both costs and risks thoroughly at bid stage and to diligently control and follow that assessment through to the end of the project, whilst having a sensible, measured view on volume growth.

#### 3) People

The most valuable asset of the company is the quality of our staff and it is our strategic aim to create a high performance culture; educating, training and developing our people to be the best. We strive to provide the correct remuneration packages to attract, motivate and retain employees and lastly build a resource pipeline to ensure we have the "right people" with the "right skills" at the "right time".

The above strategic focus must always be underpinned by our key strategic principles which are innovation, community, productivity and sustainability.

## Strategic Report (continued)

### Principal risks and uncertainties affecting the business

The principal risks and uncertainties affecting the business are varied and include the following:

- **Economic risk.** The company's future profitability could be negatively affected by a deterioration in the general economic conditions in the United Kingdom including, in particular, the cost and availability of credit.
- **Inflationary risk.** The company's future profitability could be negatively impacted by material price increases and also increasing labour costs. We try to mitigate this by entering long terms agreements with key suppliers, and developing supply chain relationships
- **Material availability risk.** The company's profitability could be negatively impacted by material shortages. The impact on programmes and delivery of projects could cause significant financial penalties. By working with our supply chain, and buying and storing materials in advance we try to ensure that we have what we need at the appropriate time.
- **Interest rate risk.** The company continues to finance its operations through overdrafts and cash in hand and recognises that interest costs will be subject to interest rate fluctuation. Currently the company has no external borrowings. The company, as part of the wider group, has historically minimised interest rate movements by entering into interest rate hedges on part of its borrowings, and would do so again if appropriate.
- **Credit risk:** The company is exposed to the credit risk that some of its customers may be unable to pay when the debt falls due. This may be due to cash flow problems, difficult trading or financial issues of the customers. Failure to receive all monies due would have an adverse effect on company cash flow and profitability.
- **Effect of legislation or other regulatory activities.** The company continually monitors all forthcoming and current legislation and guidelines to ensure it fully complies with all necessary requirements.
- **Construction risk.** The company places considerable emphasis on front end controls and ongoing project diligence in an attempt to minimise construction risk.
- **Climate change risk:** The company is committed to addressing climate change risk. We have a responsible business strategy in place which aims to retain our current 'climate positive' status and improve upon this through a series of targeted measures to reduce our emissions.

## Strategic Report (continued)

### Key performance indicators

Key financial performance indicators include the monitoring of working capital and profit margins.

#### *Key financial performance indicators*

|                   |        | Year ended<br>30 June 2022 | Year ended<br>30 June 2021 | Measure                        |
|-------------------|--------|----------------------------|----------------------------|--------------------------------|
| Profit before tax | £000's | 8,697                      | 5,428                      |                                |
| Gross margin      | %      | 8.3%                       | 6.1%                       | Gross profit / turnover        |
| Overhead recovery | %      | 3.0%                       | 2.3%                       | Admin expenses / turnover      |
| Debtors days      | Days   | 29                         | 49                         | Trade debtors / turnover * 365 |
| Cashflow          | £000's | (2,291)                    | 13,915                     | Cash (decrease) / increase     |

### Future developments

The directors expect the general level of activity to continue to remain steady. The directors aim to maintain the management policies which have resulted in the company's continued trading performance in recent years.

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

*Irene Wilson*

**I Wilson**

*Director*

19/01/23

10 Perimeter Road  
Pinefield Industrial Estate  
Elgin, IV30 6AE

## Directors' Report

The directors present their audited financial statements for the year ended 30 June 2022.

The directors have included in the Strategic Report matters required by regulations under section 416(4), these include principal risks and uncertainties affecting the business and future developments.

### Directors

The directors who held office during the period and to the date of this report are as follows:

W G Robertson  
E C Robertson  
I Wilson  
B McQuade

### Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

### Principal activity

The principal activity of the company was that of construction.

### Going concern

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

The company has conducted a thorough review of workload, overhead and cashflows. A forecast model was prepared for the company for the new financial year and the next financial year. This showed the profitability and positive cash position of the company. Stress testing was also performed to assess the impact of up to a 30% reduction in turnover. Under these scenarios the company would remain profitable and cash positive.

The company continues to review the trading and cash flow performance against forecast. This includes the review of daily and weekly cash flows, project performance against budget in terms of turnover and productivity. If we experience a material change in our work winning and delivery, the company is in a strong position to deal with any slow down.

At the Statement of financial position date, the company had no requirement for any debt facilities to be in place with its bank. The company is included within the group wide cash pooling arrangement which is in place for its subsidiaries. This was also the case at the date of signing and the company maintains healthy positive cash balances. The latest trading performance is tracking on budget representing sustained profitability. The company recognises that the management of cash resources is paramount and the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis in preparing the annual financial statements.

## **Directors' Report (continued)**

### **Dividends**

The directors recommended and paid an interim dividend of £4,123,000 (2021: £3,663,000), and no final dividend has been recommended.

### **Employees**

During the period the policy of providing employees with general information continued. Relevant information is supplied at the discretion of management, when considered appropriate.

The company gives every consideration to applications for employment from disabled persons where the requirements of the job may be adequately covered by a handicapped or disabled person.

With regard to existing employees and those who have become disabled during the period, the company has continued to examine ways and means of providing continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

Equal opportunities are given to all employees for training, career development and promotion. The company involves employees in matters affecting terms and conditions of employment. Induction courses are run for new employees.

### **Political and charitable donations**

The company made no political contributions but made charitable donations during the period of £160 (2021: £50).

### **Disclosure of information to auditor**

Each of the persons who is a director 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
- the directors have 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.

### **Section 172(1) statement**

The directors have acted in accordance with their duties which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the long term success of the company for the benefit of its members as a whole, having regard to the stakeholders and matters set out on section 172(1) of the Companies Act 2006:

- The long term success of the company is embedded in decision making at Board level including regular engagement with the shareholders, who are also directors. The company conducts monthly Performance Reviews which are attended by the full senior management teams. All new potential construction contracts and development opportunities are subject to a 3 stage gateway process with final approval by the directors before an opportunity can be bid for.
- The company conducts regular meetings which are attended by the full group board which includes shareholders.
- The drive to maintain high standards of business conduct remains a focus of the directors and is reinforced with the adoption of the "Robertson Way" with its five principles: we listen, we are professional, we take responsibility, we are determined to succeed, and we are one team.



## **Directors' Report (continued)**

### **Section 172(1) statement (continued)**

- The most valuable asset of the company is the quality of our staff and it is our strategic aim to create a high performance culture; educating, training and developing our people. The people strategy is being developed to ensure we continue to identify training requirements across all grades and roles.
- The company's operations are dependent on fostering strong working relationships across a wide-ranging supply chain. We endeavour to involve the supply chain at an early stage in all development projects as the viability of projects can be dependent on finding the optimum technical solutions. The company also recognises the benefits of providing visibility of future projects to allow the supply chain to commit resources for the longer term.
- We are committed to ensuring local communities and economies benefit from the company's presence. This includes opportunities for employment, providing work experience, training and career enhancement across all areas of the business. The local economy also benefits from the supply chain being afforded the opportunity to participate in our projects. We work closely with Local Authorities to understand community priorities and requirements to help identify development opportunities.
- The company aims to protect our environment by operating a robust environmental management system across all operations. Our environmental aspects and impacts are assessed on an annual basis and appropriate environmental control measures are implemented, monitored and continually improved to ensure we protect our environment for present and future generations. The company continues to retain its 'climate positive' status and aims to improve upon this through a series of targeted measures to reduce our emissions.

Exemption has been taken from the disclosures required under the Streamlined Energy and Carbon Reporting (SECR) as these have been included on a consolidated basis in the financial statements of Newlands (Elgin) Holdings Limited.

### **Financial instruments**

The company does not use complex financial instruments. Financial risk management objectives and policies, as well as exposure to price and credit risk are discussed in the strategic report.

### **Auditor**

During the year BDO LLP resigned as statutory auditor and were replaced by RSM UK Audit LLP. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office.

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

*Irene Wilson*

**I Wilson**  
*Director*

19/01/23

10 Perimeter Road  
Pinefield Industrial Estate  
Elgin, IV30 6AE

## **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law, including FRS 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 of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBERTSON CE LIMITED**

### **Opinion**

We have audited the financial statements of Robertson CE Limited (the 'company') for the year ended 30 June 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBERTSON CE LIMITED (CONTINUED)**

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBERTSON CE LIMITED (CONTINUED)**

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities, reviewing board and committee meeting minutes and enquires with management.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and management bias in accounting estimates as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. We evaluated whether there was evidence of bias by management in accounting estimates that represented a risk of material misstatement due to fraud. We challenged assumptions and judgements made by management in their significant accounting estimates, in particular in relation to contract accounting, including the expected margin through assessment of post year end performance and stage of completion, through discussions with the relevant individuals, corroborating evidence provided.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBERTSON CE 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.

*Alan Aitchison*

ALAN AITCHISON (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Third Floor, Centenary House

69 Wellington Street

Glasgow, G2 6HG

Date 19/01/23

**Statement of comprehensive income**  
*for the year ended 30 June 2022*

|  | <i>Note</i> | <b>Year ended<br/>30 June 2022<br/>£000</b> | <b>Year ended<br/>30 June 2021<br/>£000</b> |
|--|-------------|---|---|
| <b>Turnover</b>                                  | <b>3</b>    | <b>147,057</b>                              | 137,459                                     |
| Cost of sales                                    |             | (134,802)                                   | (129,022)                                   |
| <b>Gross profit</b>                              |             | <b>12,255</b>                               | 8,437                                       |
| Administrative expenses                          |             | (4,456)                                     | (3,181)                                     |
| Other income                                     | <b>4</b>    | 565   | 44  |
| <b>Operating profit</b>                          | <b>4</b>    | <b>8,364</b>                                | 5,300                                       |
| Interest receivable and similar income           | <b>5</b>    | 333   | 128   |
| <b>Profit before taxation</b>                    |             | <b>8,697</b>                                | 5,428                                       |
| Tax on profit                                    | <b>7</b>    | (1,662)                                     | (1,041)                                     |
| <b>Profit for the financial period</b>           |             | <b>7,035</b>                                | 4,387                                       |
| <b>Total comprehensive income for the period</b> |             | <b>7,035</b>                                | 4,387                                       |

There was no other comprehensive income for the year ended 30 June 2022 (2021: £nil).

The notes and accounting policies on pages 16 to 25 form part of these financial statements.

**Statement of financial position**  
*at 30 June 2022*

|  | Note | 30 June<br>2022<br>£000 | 30 June<br>2022<br>£000 | 30 June<br>2021<br>£000 | 30 June<br>2021<br>£000 |
|--|------|-------------------------|-------------------------|-------------------------|-------------------------|
| <b>Fixed assets</b>  |      |                         |                         |                         |                         |
| Tangible assets  | 9    |                         | 149                     |                         | 201                     |
| <b>Current assets</b>  |      |                         |                         |                         |                         |
| Debtors due within one year                                    | 10   | 38,197                  |                         | 27,975                  |                         |
| Debtors due after one year                                     | 10   | 1,988                   |                         | 1,281                   |                         |
| Cash at bank and in hand                                       | 11   | 18,823                  |                         | 21,114                  |                         |
|  |      | <u>59,008</u>           |                         | <u>50,370</u>           |                         |
| <b>Creditors: amounts falling due within one year</b>          | 12   | <u>(51,866)</u>         |                         | <u>(46,436)</u>         |                         |
| <b>Net current assets</b>                                      |      |                         | <u>7,142</u>            |                         | <u>3,934</u>            |
| <b>Total assets less current liabilities</b>                   |      |                         | <u>7,291</u>            |                         | <u>4,135</u>            |
| <b>Creditors: amounts falling due after more than one year</b> | 13   |                         | <u>(1,990)</u>          |                         | <u>(1,746)</u>          |
| <b>Net assets</b>  |      |                         | <u>5,301</u>            |                         | <u>2,389</u>            |
| <b>Capital and reserves</b>                                    |      |                         |                         |                         |                         |
| Called up share capital  | 15   |                         | -                       |                         | -                       |
| Profit and loss account  |      |                         | 5,301                   |                         | 2,389                   |
| <b>Shareholder's funds</b>                                     |      |                         | <u>5,301</u>            |                         | <u>2,389</u>            |

These financial statements of Robertson CE Limited were approved by the Board of directors and authorised for issue on 19/01/23. They were signed on its behalf by:

*Irene Wilson*

**I Wilson**  
Director

The notes and accounting policies on pages 16 to 25 form part of these financial statements.



**Statement of changes in equity**  
*For the year ended 30 June 2022*

|                               | <b>Called-up<br/>share capital</b> | <b>Profit and loss<br/>account</b> | <b>Total</b> |
|-------------------------------|------------------------------------|------------------------------------|--------------|
|                               | £000                               | £000                               | £000         |
| <b>At 1 July 2020</b>         | -                                  | 1,665                              | 1,665        |
| Profit for the financial year | -                                  | 4,387                              | 4,387        |
| Dividend paid                 | -                                  | (3,663)                            | (3,663)      |
|                               | <hr/>                              | <hr/>                              | <hr/>        |
| <b>At 30 June 2021</b>        | -                                  | 2,389                              | 2,389        |
|                               | <hr/>                              | <hr/>                              | <hr/>        |
| <b>At 1 July 2021</b>         | -                                  | 2,389                              | 2,389        |
| Profit for the financial year | -                                  | 7,035                              | 7,035        |
| Dividend paid                 | -                                  | (4,123)                            | (4,123)      |
|                               | <hr/>                              | <hr/>                              | <hr/>        |
| <b>At 30 June 2022</b>        | -                                  | 5,301                              | 5,301        |
|                               | <hr/>                              | <hr/>                              | <hr/>        |

The notes and accounting policies on pages 16 to 25 form part of these financial statements.

## Notes

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *General information and basis of accounting*

Robertson CE Limited is a private company limited by shares incorporated in Scotland, United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Strategic report on pages 2 to 4.

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard FRS 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The company meets the definition of a qualifying entity under FRS 102 and has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29; and
- the requirements of Section 33 Key Management Personnel Compensation paragraph 33.7.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of presentation of a cash flow statement.

The company intends to present its next set of financial statements with the same disclosure exemptions adopted.

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

The company has taken the exemption under the terms of FRS 102 from disclosing related party transactions with wholly owned entities that are part of the Newlands (Elgin) Holdings Limited group. The consolidated financial statements of Newlands (Elgin) Holdings Limited, within which this company is included, can be obtained from the address given in note 20.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

#### *Going concern*

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The strategic and directors' reports further describe the financial position of the company, its cash flows, liquidity position and borrowing facilities.

As set out in the directors' report, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and accordingly they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Revenue recognition and long term contracts*

Turnover represents amounts receivable for the sale of goods and services, rental income and work done in the case of long term contracts.

Turnover is stated net of VAT and is recognised to the extent that economic benefits will flow to the company and the turnover can be reliably measured. Turnover from the supply of services represents the value of services provided under contract. Where payments are received from customers in advance, the amounts are recorded as payments received in excess and included as part of creditors due within one year.

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the state of completion of the contract activity at the date of statement of financial position. This is normally measured by the value of services provided under contract to date, except where this would not be representative of completion. Variations in contract works, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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 value of services provided under contract, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

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

#### *Other income*

Management fee income is recognised in "other income" and represents the recharge of overhead costs incurred to other group companies. It is recognised in the same period as the related expenditure.

#### *Government grants*

Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure.

#### *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value of each asset on a straight-line basis over its expected useful life, as follows:

|                     |   |              |
|---------------------|---|--------------|
| Plant and machinery | - | 3 to 5 years |
|---------------------|---|--------------|

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.

#### *Pensions*

The company contributes to company personal pension plans for employees who also undertake to contribute, the costs of which are charged to the Statement of comprehensive income as they become payable. The amount charged to the Statement of comprehensive income represents the contributions payable to the scheme in respect of the accounting period. Differences between contributions payable in the period and contributions actually paid are shown as accruals in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Leases*

Rental under operating lease rentals are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

#### *Development expenditure*

Pre-contract costs are expensed as incurred until the company is appointed as sole preferred bidder. Provided the contract is expected to generate sufficient net cash inflows to enable recovery and the award of the contract is virtually certain, pre-contract costs incurred post the appointment as preferred bidder are included in debtors.

Where pre-contract bid costs that have been recognised as an asset are reimbursed at financial close both the income and the asset are released to the Statement of comprehensive income.

#### *Taxation*

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### (i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### (ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### *Debtors*

Debtors are measured at transaction price, less any impairment.

#### *Cash and cash equivalents*

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

#### *Creditors*

Creditors are measured at the transaction price.

#### *Contingent liabilities*

Contingent liabilities, arising as a result of past events, are not recognised when it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

## Notes (continued)

### 2 Significant judgements and estimates

In the application of the company's accounting policies, as described in note 1, the directors and management are required to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the period-end date, and the amounts reported for revenues and expenses during the period.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, and in future periods should it affect future periods.

The ordinary judgements and estimates are those as detailed in Note 1.

Management consider that the following have the most significant effect on the amounts recognised in the financial statements:

- Financial outcome of individual construction contracts – all long term contracts are reviewed on a monthly basis, with particular attention to contract stage of completion, costs to date and costs still to be incurred. Movement in margin is recognised when prudent to do so but immediately in the event there is a foreseeable loss.

### 3 Turnover

The turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

### 4 Operating profit

|   | Year ended<br>30 June 2022<br>£000 | Year ended<br>30 June 2021<br>£000 |
|---|------------------------------------|------------------------------------|
| <i>Operating profit is stated after charging / (crediting):</i> |                                    |                                    |
| Depreciation  | 84                                 | 92                                 |
| Operating lease rentals   | 386                                | 336                                |
| Government Job Retention Scheme grants – revenue in nature      | -                                  | (44)                               |
| Other income - Management fee income                            | (565)                              | -                                  |
|   | <u>          </u>                  | <u>          </u>                  |

The audit fee was borne by another company in the Group, Robertson Group Limited, in the year ended 30 June 2022. Should there have been a charge, the directors' best estimate of the cost applicable to the company is £17,000 (2021: £18,500).

When applicable, non-audit fees payable to the Auditor are also paid by another company in the Group, Robertson Group Limited. In the year ended 30 June 2022, there were no non-audit fees payable to the Auditor.

### 5 Interest receivable and similar income

|  | Year ended<br>30 June 2022<br>£000 | Year ended<br>30 June 2021<br>£000 |
|--|------------------------------------|------------------------------------|
| Interest receivable from Group companies | 333                                | 128                                |
|  | <u>          </u>                  | <u>          </u>                  |

## Notes (continued)

### 6 Staff numbers and costs

The average number of employees employed by the company (including directors) during the period, analysed by category, was as follows:

|                | Year ended<br>30 June 2022<br>Number | Year ended<br>30 June 2021<br>Number |
|----------------|--------------------------------------|--------------------------------------|
| Construction   | 220                                  | 196                                  |
| Administration | 27                                   | 24                                   |
|                | <hr/> 247                            | <hr/> 220                            |

The aggregate payroll costs of these persons were as follows:

|                       | Year ended<br>30 June 2022<br>£000 | Year ended<br>30 June 2021<br>£000 |
|-----------------------|------------------------------------|------------------------------------|
| Wages and salaries    | 14,122                             | 12,461                             |
| Social security costs | 1,566                              | 1,356                              |
| Other pension costs   | 589                                | 466                                |
|                       | <hr/> 16,277                       | <hr/> 14,283                       |

None of the directors received any emoluments from the company. They are all directors of Robertson Group Limited and their emoluments are disclosed in those financial statements.

### 7 Taxation

|  | Year ended<br>30 June 2022<br>£000 | Year ended<br>30 June 2021<br>£000 |
|--|------------------------------------|------------------------------------|
| <i>UK corporation tax</i>                |                                    |                                    |
| Current tax charge                       | 1,662                              | 1,036                              |
| Adjustment for prior year                | (1)                                | -                                  |
|  | <hr/> 1,661                        | <hr/> 1,036                        |
| <b>Current tax charge for the period</b> | 1,661                              | 1,036                              |
| Deferred tax ( <i>Note 14</i> )          |                                    |                                    |
| Timing differences                       | 1                                  | 5                                  |
|  | <hr/> 1                            | <hr/> 5                            |
| <b>Total tax on profit</b>               | <hr/> 1,662                        | <hr/> 1,041                        |

## Notes (continued)

### 7 Taxation (continued)

#### Factors affecting the tax charge for the current period

The current tax charge for the period is greater than (2021: *greater than*) the standard rate of corporation tax in the UK of 19% (2021: 19%) as explained below:

|   | Year ended<br>30 June 2022<br>£000 | Year ended<br>30 June 2021<br>£000 |
|---|------------------------------------|------------------------------------|
| <i>Current tax reconciliation</i>                             |                                    |                                    |
| Profit before tax   | 8,697                              | 5,428                              |
| Current tax at 19% (2021: 19%)                                | 1,652                              | 1,031                              |
| Effects of:   |                                    |                                    |
| Expenses not deductible for tax purposes & non taxable income | 11                                 | 9                                  |
| Fixed asset differences                                       | -                                  | 3                                  |
| Deferred tax changes in rates                                 | -                                  | (2)                                |
| Adjustments in respect of prior years – current tax           | (1)                                | -                                  |
| Group relief claimed  | -                                  | (24)                               |
| Payment for group relief                                      | -                                  | 24                                 |
| Total tax charge  | 1,662                              | 1,041                              |

#### Factors affecting the future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the UK corporation tax rate would increase to 25% (rather than remaining at 19% as previously enacted). These new laws were substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

### 8 Dividends

|                       | Year ended<br>30 June 2022<br>£000 | Year ended<br>30 June 2021<br>£000 |
|-----------------------|------------------------------------|------------------------------------|
| Interim dividend paid | 4,123                              | 3,663                              |

## Notes (continued)

### 9 Tangible fixed assets

|                        | Plant and<br>machinery<br>£000 |
|------------------------|--------------------------------|
| <b>Cost</b>            |                                |
| At beginning of period | 519                            |
| Additions              | 32                             |
| Disposals              | (47)                           |
|                        | <hr/>                          |
| At end of period       | 504                            |
|                        | <hr/>                          |
| <b>Depreciation</b>    |                                |
| At beginning of period | 318                            |
| Charge for period      | 84                             |
| Disposals              | (47)                           |
|                        | <hr/>                          |
| At end of period       | 355                            |
|                        | <hr/>                          |
| <b>Net book value</b>  |                                |
| At 30 June 2022        | 149                            |
|                        | <hr/>                          |
| At 30 June 2021        | 201                            |
|                        | <hr/>                          |

### 10 Debtors

|                                    | 30 June 2022<br>£000 | 30 June 2021<br>£000 |
|------------------------------------|----------------------|----------------------|
| <b>Amounts due within one year</b> |                      |                      |
| Trade debtors                      | 11,648               | 18,440               |
| Amounts recoverable on contracts   | 12,701               | 5,629                |
| Amounts owed by group undertakings | 13,655               | 3,816                |
| Amounts owed by related parties    | -                    | 2                    |
| Prepayments and accrued income     | 187                  | 81                   |
| Deferred tax (note 14)             | 6                    | 7                    |
|                                    | <hr/>                | <hr/>                |
|                                    | 38,197               | 27,975               |
|                                    | <hr/>                | <hr/>                |
| <b>Amounts due after one year</b>  |                      |                      |
| Amounts recoverable on contracts   | 1,988                | 1,281                |
|                                    | <hr/>                | <hr/>                |
|                                    | 1,988                | 1,281                |
|                                    | <hr/>                | <hr/>                |

Amounts owed by group undertakings are interest free, due on demand and bear no fixed term of repayment.



**Notes** *(continued)*

**11 Cash and cash equivalents**

|                          | 30 June 2022<br>£000 | 30 June 2021<br>£000 |
|--------------------------|----------------------|----------------------|
| Cash at bank and in hand | 18,823               | 21,114               |

**12 Creditors: amounts falling due within one year**

|                                    | 30 June 2022<br>£000 | 30 June 2021<br>£000 |
|------------------------------------|----------------------|----------------------|
| Payments received on account       | 2,917                | 6,857                |
| Trade creditors                    | 9,407                | 8,205                |
| Amounts owed to group undertakings | 1,357                | 95                   |
| Corporation tax                    | 1,332                | 1,013                |
| Group relief payable               | 330                  | 25                   |
| Other taxation and social security | 6,201                | 4,742                |
| Other creditors                    | 32                   | 52                   |
| Accruals and deferred income       | 30,290               | 25,447               |
|                                    | <u>51,866</u>        | <u>46,436</u>        |

Amounts owed to group undertakings are interest free, due on demand and bear no fixed term of repayment.

**13 Creditors: amounts falling due after more than one year**

|                 | 30 June 2022<br>£000 | 30 June 2021<br>£000 |
|-----------------|----------------------|----------------------|
| Trade creditors | 1,990                | 1,746                |
|                 | <u>1,990</u>         | <u>1,746</u>         |

## Notes (continued)

### 14 Deferred taxation

|  | 30 June 2022<br>£000 |
|--|----------------------|
| At beginning of period                         | 7                    |
| Origination and reversal of timing differences | (1)                  |
|  | <hr/>                |
| At end of period                               | 6                    |
|  | <hr/>                |

|  | 30 June 2022<br>£000 | 30 June 2021<br>£000 |
|--|----------------------|----------------------|
| The elements of deferred tax are as follows: |                      |                      |
| Short term timing differences                | 6                    | 7                    |
|  | <hr/>                | <hr/>                |

### 15 Called up share capital

|   | 30 June 2022<br>£ | 30 June 2021<br>£ |
|---|-------------------|-------------------|
| <i>Authorised</i>                         |                   |                   |
| 100,000 Ordinary share of £1 each         | 100,000           | 100,000           |
|   | <hr/>             | <hr/>             |
| <i>Allotted, called up and fully paid</i> |                   |                   |
| 1 Ordinary share of £1 each               | 1                 | 1                 |
|   | <hr/>             | <hr/>             |

The company has one class of ordinary share which carry no right to fixed income.

The company's other reserve is as follows:

The profit and loss account reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

### 16 Contingent liabilities and contractual disputes

At the period-end, there were contingent liabilities in respect of guarantees and claims under contracts entered into in the normal course of business. Further, included within trade debtors and amounts recoverable on contracts are certain amounts which are the subject of on-going disputes with customers. The directors are of the opinion that adequate provision has been made in respect of on-going claims and disputes at the period end.

The company has not provided any unsecured guarantees to third parties (2021: £nil).

## Notes (continued)

### 17 Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

|                            | 30 June 2022<br>£000 | 30 June 2021<br>£000 |
|----------------------------|----------------------|----------------------|
| Within one year            | 148                  | 298                  |
| Between one and five years | 53                   | 164                  |
|                            | <u>201</u>           | <u>462</u>           |

### 18 Pension costs

The company contributes to company personal pension plans for all qualifying employees. The total expense charged to statement of comprehensive income in the year ended 30 June 2022 was £589,000 (2021: £466,000).

There were no outstanding contributions due at the year end (2021: £nil).

### 19 Transactions with related parties

Related party transactions with 100% owned Group undertakings not included in the consolidated financial statements are therefore exempt from disclosure in the financial statements under the provisions of Section 33 of FRS 102.

During the year the Company had transactions with associate companies and at the period end balances were due from these companies as follows:

|                                  | Expense incurred                   |                                    | Period end balance   |                      |
|----------------------------------|------------------------------------|------------------------------------|----------------------|----------------------|
|                                  | Year ended<br>30 June 2022<br>£000 | Year ended<br>30 June 2021<br>£000 | 30 June 2022<br>£000 | 30 June 2021<br>£000 |
| Company owned by W G Robertson:  |                                    |                                    |                      |                      |
| South Shore Developments Limited | (200)                              | (142)                              | -                    | 1                    |
|                                  | <u></u>                            | <u></u>                            | <u></u>              | <u></u>              |

### 20 Immediate and ultimate parent company

The company is a subsidiary undertaking of Robertson Construction Group Limited. The ultimate parent company is Newlands (Elgin) Holdings Limited, incorporated in Scotland and controlled by W G Robertson.

The smallest group in which the results of the company are consolidated is that headed by Robertson Construction Group Limited. The largest group in which the results of the company are consolidated is that headed by Newlands (Elgin) Holdings Limited. The consolidated financial statements of that company are available to the public and may be obtained from Newlands (Elgin) Holdings Limited, 10 Perimeter Road, Elgin, IV30 6AE.