

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021
FOR
REDPATH CONSTRUCTION LIMITED**

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FOR THE YEAR ENDED 31 MAY 2021**

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REDPATH CONSTRUCTION LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 2021**

DIRECTORS: A T Sloan
J Pritchard

SECRETARY: A T Sloan

REGISTERED OFFICE: 4 Spiersbridge Way
Glasgow
G46 8NG

REGISTERED NUMBER: SC344283 (Scotland)

AUDITORS: Galbraith Pritchards
Chartered Accountants & Statutory Auditor
20 Barns Street
Ayr
Ayrshire
KA7 1XA

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MAY 2021**

The directors present their report with the financial statements of the company for the year ended 31 May 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of building contracting.

REVIEW OF BUSINESS

The directors present the accounts for the year to May 2021 showing turnover of £7.3m and trading profits of £52,813. Activity levels were affected significantly by COVID-19.

In June 2021 all of our live projects, other than works at Crosshouse Hospital and Wishaw Hospital, remained suspended as they had been since the start of the lockdown in March 2020.

During the next three months we achieved turnover of £3.1m and profits of £82,000 as we were able to re-start most of the projects that had been suspended. We consider the 2.6% profit made in that three-month period to be a reasonable reflection of the potential of the business during a period of normal trading activity.

However, the fact that 42% of the company's turnover occurred in that three-month period demonstrates that the period beyond October 2020 was not a period of normal trading activity. The level of order input reduced dramatically, to the extent that no new orders were received between May 2020 and November 2020.

From December 2020 onwards we experienced a gradual return to normality with £5.9m of orders received between December 2020 and May 2021, and a further £10.4m secured between June 2021 and January 2022. We consider the level of order input received in the past eight months, which equates to an annual rate of £15.6m, to be a reasonable reflection of the potential of the business during a period of normal trading activity.

Throughout that tough period, particularly from October 2020 to June 2021, we were able to benefit from the Government's furlough scheme, but more importantly we benefitted from considerable support from our employees who accepted salary reductions that were often much greater than the furlough grants that we were able to recover. We hope that the support from our staff is a reflection of the fact that we have worked hard to protect, motivate and reward them over a number of years. We will now do our utmost to repay their loyalty and support in the coming years.

One of our key operational decisions in recent years has been the introduction of a specialist healthcare team. The works at Crosshouse and Wishaw were extremely important to us during the first lockdown period. We have subsequently secured projects at Royal Alexandra Hospital, Kirklands Hospital, Inverclyde Royal Hospital and Forth Valley Hospital. We have recently secured a major project at Queen Elizabeth University Hospital and have secured three projects for NHS Greater Glasgow and Clyde as part of the Hub West Framework. Our customer feedback has been exceptional, and we are confident that the sector will continue to provide a steady flow of opportunities.

We have refurbished over 600 flats in recent years. During the year to May 2021, we successfully completed two tenement refurbishments and we are currently on site with similar projects in Glasgow and Edinburgh which will be major contributors to our trading for the year to May 2022. We remain keen on this market sector, and our focus will be on securing work from experienced and professional clients, particularly as energy retrofit of traditional buildings becomes more prevalent.

For many years, retail projects have been a major element of our turnover, but in the year to May 2021 we only carried out one project at East Kilbride Shopping Centre, with two schemes at Hamilton Palace Grounds Retail Park falling into the subsequent year. Whilst the past two years have been periods of low activity, it is our expectation that there will be significant change, both to shopping centres and high street retail properties in coming years. We believe that our considerable experience in the sector will put us into a strong position to benefit from any upturn in retail opportunities.

In addition to our staff, our subcontractors have responded extremely well to the additional pressures resulting from the pandemic. With a clear strategy of focussing on our key markets and with the ongoing support of our staff, our supply chain and our clients, we remain optimistic that we are in a strong position to enjoy growth in turnover and profits.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MAY 2021**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2020 to the date of this report.

A T Sloan
J Pritchard

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Galbraith Pritchards, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A T Sloan - Director

16 February 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF REDPATH CONSTRUCTION LIMITED

Opinion

We have audited the financial statements of Redpath Construction Limited (the 'company') for the year ended 31 May 2021 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF REDPATH CONSTRUCTION LIMITED

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 Report of the Directors.

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

- adequate accounting records have not been kept, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditors' responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and, enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF REDPATH CONSTRUCTION LIMITED

Use of our report

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

Marguerite Roos BAcc CA (Senior Statutory Auditor)
for and on behalf of Galbraith Pritchards
Chartered Accountants & Statutory Auditor
20 Barns Street
Ayr
Ayrshire
KA7 1XA

17 February 2022

INCOME STATEMENT
FOR THE YEAR ENDED 31 MAY 2021

	Notes	Year Ended 31/5/21 £	Period 1/12/18 to 31/5/20 £
TURNOVER		7,297,655	11,653,049
Cost of sales		<u>6,459,549</u>	<u>10,264,266</u>
GROSS PROFIT		838,106	1,388,783
Administrative expenses		<u>1,021,462</u> (183,356)	<u>1,328,676</u> 60,107
Other operating income		<u>236,169</u>	<u>-</u>
OPERATING PROFIT	4	52,813	60,107
Interest receivable and similar income		<u>-</u> 52,813	<u>212</u> 60,319
Interest payable and similar expenses		<u>15,739</u>	<u>31,939</u>
PROFIT BEFORE TAXATION		37,074	28,380
Tax on profit		<u>7,450</u>	<u>15,515</u>
PROFIT FOR THE FINANCIAL YEAR		<u>29,624</u>	<u>12,865</u>

The notes form part of these financial statements

BALANCE SHEET
31 MAY 2021

	Notes	31/5/21 £	£	31/5/20 £	£
FIXED ASSETS					
Tangible assets	5		39,575		41,637
Investments	6		<u>30,000</u>		<u>30,000</u>
			69,575		71,637
CURRENT ASSETS					
Debtors	7	3,134,545		3,103,687	
Cash at bank		<u>456,381</u>		<u>470,753</u>	
		3,590,926		3,574,440	
CREDITORS					
Amounts falling due within one year	8	<u>2,836,775</u>		<u>2,883,950</u>	
NET CURRENT ASSETS			<u>754,151</u>		<u>690,490</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			823,726		762,127
CREDITORS					
Amounts falling due after more than one year	9		(165,343)		(133,368)
PROVISIONS FOR LIABILITIES			<u>(7,911)</u>		<u>(7,911)</u>
NET ASSETS			<u>650,472</u>		<u>620,848</u>
CAPITAL AND RESERVES					
Called up share capital			51,000		51,000
Retained earnings			<u>599,472</u>		<u>569,848</u>
SHAREHOLDERS' FUNDS			<u>650,472</u>		<u>620,848</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 16 February 2022 and were signed on its behalf by:

A T Sloan - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 December 2018	51,000	556,983	607,983
Changes in equity			
Total comprehensive income	-	12,865	12,865
Balance at 31 May 2020	<u>51,000</u>	<u>569,848</u>	<u>620,848</u>
Changes in equity			
Total comprehensive income	-	29,624	29,624
Balance at 31 May 2021	<u>51,000</u>	<u>599,472</u>	<u>650,472</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

1. STATUTORY INFORMATION

Redpath Construction Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Covid-19 is one of the most significant economic events to have affected the UK. Over a wide range of key business issues, the current extent of the unknown factors and possible future implications greatly exceed the normal level of uncertainty. However, the directors consider that construction will continue to be an essential and major sector of the economy.

TURNOVER

Turnover represents net invoiced sales of goods/services, excluding value added tax and in the case of long term contracts, the sales value of work done in the period, including estimates in respect of amounts not invoiced.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Computer equipment	- at varying rates on cost

A review of impairment is carried out at each reporting date. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

INVESTMENTS IN ASSOCIATES

Investments in associate undertakings are recognised at cost.

TAXATION

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

Current or deferred taxation assets and liabilities are not discounted.

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021

2. ACCOUNTING POLICIES - continued
DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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

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

HIRE PURCHASE AND LEASING COMMITMENTS

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

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

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

AMOUNTS RECOVERABLE UNDER CONTRACT

Amounts recoverable under contract are valued at fair value including the proportion of expected recovery on each contract for work completed at the balance sheet date.

FINANCIAL INSTRUMENTS

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

PROVISIONS

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 28 (2020 - 26) .

	Year Ended 31/05/21	Period Ended 31/05/20
Wages and salaries	1,308,516	1,922,054
Social security costs	<u>157,220</u>	<u>219,089</u>
	<u>1,465,736</u>	<u>2,141,143</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021

4. OPERATING PROFIT

The operating profit is stated after charging:

	Year Ended 31/5/21 £	Period 1/12/18 to 31/5/20 £
Depreciation - owned assets	9,000	15,000
Auditors' remuneration	7,000	6,000
Pension costs	<u>72,559</u>	<u>100,352</u>

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 June 2020	19,285	147,341	166,626
Additions	-	6,938	6,938
At 31 May 2021	<u>19,285</u>	<u>154,279</u>	<u>173,564</u>
DEPRECIATION			
At 1 June 2020	16,334	108,655	124,989
Charge for year	1,000	8,000	9,000
At 31 May 2021	<u>17,334</u>	<u>116,655</u>	<u>133,989</u>
NET BOOK VALUE			
At 31 May 2021	<u>1,951</u>	<u>37,624</u>	<u>39,575</u>
At 31 May 2020	<u>2,951</u>	<u>38,686</u>	<u>41,637</u>

6. FIXED ASSET INVESTMENTS

	Interest in associate £
COST	
At 1 June 2020 and 31 May 2021	<u>30,000</u>
NET BOOK VALUE	
At 31 May 2021	<u>30,000</u>
At 31 May 2020	<u>30,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31/5/21	31/5/20
	£	£
Trade debtors	596,739	813,427
Amounts recoverable on contract	2,180,734	1,954,988
Other debtors	76,672	68,847
Amounts due by associated companies	245,700	236,800
Prepayments	34,700	29,625
	<u>3,134,545</u>	<u>3,103,687</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/5/21	31/5/20
	£	£
Other loans	264,748	340,011
Trade creditors	547,410	765,568
Tax	7,449	8,436
Social security and other taxes	243,864	208,624
VAT	542,228	229,154
Accrued expenses	1,231,076	1,332,157
	<u>2,836,775</u>	<u>2,883,950</u>

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

	31/5/21	31/5/20
	£	£
Other loans - 1-2 years	<u>165,343</u>	<u>133,368</u>

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31/5/21	31/5/20
	£	£
Within one year	47,927	42,000
Between one and five years	<u>160,915</u>	<u>28,000</u>
	<u>208,842</u>	<u>70,000</u>

11. SECURED DEBTS

The bank has a fixed and floating charge over all the assets of the company.

12. RELATED PARTY DISCLOSURES

Included in debtors at the year end is £245,900 (2020 £236,700) due from CRL Construction Limited, an associated company. There is no formal agreement in place regarding the timing of the repayment of this debt.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2021

13. ULTIMATE CONTROLLING PARTY

The directors believe that there is no one controlling party.

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