Newlands (Elgin) Holdings Limited

Annual report and financial statements

Registered number SC559836

Year ended 30 June 2023

Contents

Company information

Directors	Sir W G Robertson, CBE Lady H M Robertson E C Robertson S B Edgar
Secretary	I Wilson
Registered office	10 Perimeter Road Pinefield Industrial Estate Elgin IV30 6AE
Auditor	RSM UK Audit LLP Third Floor Centenary House 69 Wellington Street Glasgow G2 6HG
Bankers	Santander UK plc 1st Floor 287-301 St Vincent Street Glasgow G2 5HN
Solicitors	Addleshaw Goddard LLP Exchange Tower 19 Canning Street Edinburgh EH3 8EH Brodies LLP Capital Square 58 Morrison Street Edinburgh EH3 8BP

Strategic Report - Chairman's Statement

Newlands (Elgin) Holdings Ltd ("Newlands") is the Robertson family investment office, responsible for managing the family's broader business and investment interests which includes investments directly owned by Newlands in addition to other family investments outside of Newlands direct ownership.

The family investment office model is predicated on re-investing income generated by the family's broader investment portfolio across the existing portfolio of businesses to support their continued development, funding new business interests and/or financing new investment opportunities that create value or are complementary to the activities of our current portfolio. The model offers companies within the group and related businesses a source of finance, recycling investment returns to further our investment strategies.

As shown in the Consolidated Profit and Loss Account, the consolidated Newlands business concluded a successful year of trading, delivering turnover of £671M (2022: £616M). However, Newlands incurred an Exceptional Item charge of £40M in the year ended June 2023, resulting in a consolidated Loss before Tax of £22.5M. This was a charge taken in respect of anticipated non-recovery of a loan made to a related business under common shareholder ownership (not a subsidiary of Newlands). Adjusting for the effect of that Exceptional Item, Newlands delivered an underlying Profit before Tax of £17.5M in the year.

Net cash at the year-end was £68M (2022: £71M). This liquidity combined with a strong debt free balance sheet ensures Newlands remains well placed with a solid capital base to support future growth and investment.

Robertson Group Holdings Ltd ("RGHL" or "Robertson Group" or "the Group") is Newlands' largest investment and is also a wholly owned subsidiary as represented in these financial statements.

Robertson Group enjoyed a year of positive progress and trading. Turnover at £671M was 9% ahead of the prior year delivering Profit before Tax of £16.3M. The Group had a solid year and has built on the progress since the covid impacted years. The blend and diversity of businesses across the Group has contributed to a sustained overall Group performance.

Robertson Group consists of 6 clearly defined and separate operating businesses, represented by 19 trading entities. With a proud history of being a privately owned family business, RGHL has evolved to become a family of businesses, each with a clear strategic business plan focussed on their particular customers and markets. Its diverse portfolio of infrastructure-based businesses produce a mix of sustainable long and short-term cash flows, profits and investments, creating value and opportunity from a broad product and service offering. RGHL has a strong balance sheet and carries no external debt, placing the Group in a robust position to manage any economic pressures and support future development.

The markets in which RGHL's businesses operate remain highly competitive, although each business within the Group seeks to differentiate themselves through a high quality product and service offering, delivered on time, on budget and to the highest standards. This is being achieved despite the current market conditions that have been impacted by labour availability challenges and unprecedented levels inflation across materials and energy. Across its businesses RGHL maintains strong customer and supplier relationships, working collaboratively with stakeholders to ensure the best project and service delivery outcome for all concerned.

Interest rate rises have also squeezed available budgets across both the public and private sectors. Inflation costs across many aspects of the economy have forced both the public and private sectors to reevaluate projects with a number delayed or cancelled as a result of pressure on both revenue and capital budgets. Despite these issues, the Group has continued to ensure that it can demonstrate excellent value for money across its client base.

The Health and Safety of employees, clients, supply chain partners and the general public is the number one priority. Our fundamental goal is that every person attending a Robertson site or office, returns home safely. The "Home Safe" campaign, launched in 2019, continues to be the bedrock of health and safety strategy and deals with behavioural safety as well as the mental wellbeing of employees. The "Home Safe" campaign has been extended to the supply chain, and to date over 10,000 people have attended this course. RGHL has a well-resourced and highly experienced health and safety team who ensure the highest standards, policies and procedures are upheld across the Group.

Strategic Report – Chairman's Statement *(continued)*

Strategy

RGHL's long-term strategy is predicated on creating value from each of its separate operating businesses, through on-going trading relationships, use of frameworks, long term investing, selective quality workload and ensuring the highest levels of product quality and service delivery. Focus going forward is on innovation, productivity, sustainability and improving profitability. A key objective is to deliver cost certainty for clients, despite having to manage the exceptionally high levels of inflation and supply chain volatility in the current market.

Attracting young people into the industry remains a priority. The Group continues to forge relationships with schools, colleges and universities to attract people into what is a dynamic and innovative industry. We also see the challenges in retaining staff in this competitive environment. RGHL recently launched an updated people strategy offering employees clear career development opportunities, supported by a commitment to education, training and personal development.

High standards of governance have always been applied at RGHL offering both the shareholders and external stakeholders significant comfort. The Group has robust controls and governance procedures in place over cash management to ensure liquidity remains strong and with no external debt, the robust financial strength of the Group ensures it is well positioned to manage any economic slowdown.

Business Highlights

Newlands achieved turnover of £671M (2022: £616M) and despite reporting a Loss before Tax of £22.5M, underlying Profit before Tax (PBT) was £17.5M (adjusting for the Exceptional Item). Combined with a strong balance sheet and capital base, Newlands remains well placed for future growth. Net cash at the year-end was £68M (2022: £71M). This liquidity combined with robust cash management procedures provides a solid base to support future growth and investment.

RGHL operates 6 clearly defined separate operating businesses, that helped deliver a robust overall performance in the year to June 2023:

Robertson Construction Group (RCG) - delivered a strong trading performance with turnover of £490M (2022: £460M). The success is due to our clearly defined regional construction business model that reflects a commitment to supporting the local communities they operate in and provides a sustainable base for the Group. RCG now operates 8 regional construction businesses across the UK and will continue a strategy of organic, geographical expansion as and when appropriate.

Robertson Facilities Management (RFM) - increased turnover 22% in the year. Now employing over 1,600 staff, RFM continues to be a core part of the Group's growth and value strategy through its extensive portfolio of long-term public sector contracts, delivering bespoke solutions across healthcare, education, local authority and commercial facilities in the UK. The recently awarded Scottish Fire and Rescue contract is now in its second year and operating successfully, and since the year end RFM has been awarded a significant contract with Wakefield Council which commenced on 1 November 2023.

Robertson Timber Engineering (RTE) - demonstrated strong profitable trading during the year. RTE provides a range of engineered timber kit solutions for both housing and commercial uses. Working with internal Group businesses, as well as Robertson Residential Group Ltd and a range of external customers, they provide a high-quality product and service from their factory in Elgin and are exploring additional market opportunities in structural timber products recognising the low carbon properties of timber structures and the importance of their role in delivering Net Zero.

Urban Union (UU) - focusses on long term urban regeneration projects. UU continues to expand, currently operating a number of developments across Edinburgh and Glasgow. With a strong brand and excellent product offering there is significant scope to continue to expand this regeneration specialist across the country.

Strategic Report – Chairman's Statement *(continued)*

Robertson Capital Projects (RCP) - with a long successful history of private sector investment in public sector infrastructure development, this investment business is now benefitting from growing opportunities in public sector infrastructure development, energy and decarbonisation projects. The development of Clear Futures has provided an additional route to offering a flexible, collaborative partnership approach to overcome built environment challenges and drive change in communities faster, smarter and sustainably. Clear Futures helps the public sector develop efficient, value-based routes to deliver services including strategic estate management, regeneration, development and execution of estate decarbonisation strategies and service transformation. RCP continues to work with an increasing range of public sector partners utilising this partnership framework and other through other procurement frameworks. RCP also participates in the East Central Hub, delivering and investing in range of infrastructure projects across Perth & Kinross, and Fife.

Robertson Property (RP) - with a strong track record in private sector property development, RP is capitalising on new development opportunities arising from a changing marketplace across both the public and private sectors. It recently led a successful bid and mobilisation of the Cardiff Arena development, RP's largest project to date.

Communities

Robertson Group businesses are committed to ensuring that local communities and economies benefit from their presence. The Group operates an extensive Community Impact engagement programme that facilitates the opportunity for young people to become involved in projects and has resulted in the provision of both career and work experience opportunities. This commitment to local economies also ensures that local supply chain businesses are afforded the opportunity to participate in Group projects.

Responsible Business & Sustainability

As one of the largest private, family-owned construction, infrastructure and support services businesses in the UK, the Group's purpose is 'to assure a sustainable future'. The Group's Responsible Business policy is aligned with the UN Sustainable Development Goals enabling us to define, deliver and communicate the outcomes from our purpose for the benefit of our people, our partners and our planet.

Driven by the Responsible Business 2030 strategy, over the last 12 months the Group continued to strive towards reducing its carbon footprint whilst delivering significant social value in local communities. The business has moved beyond carbon neutral to become 'climate positive' by maintaining our level of offsetting and continuing to reduce our emissions – meaning it now offsets more carbon emissions than it generates. Actions recently piloted or implemented include; 100% renewable electrical energy tariffs for offices, factories and sites, and green gas for offices and factories, a range of green plant options like hybrid generators and eco-tower lights on site; hydrotreated vegetable oil (HVO) fuel as an alternative to red diesel on site, and electric vehicles made available at every company car level and within our commercial fleet. Since 1 January 2023, only electric or hybrid vehicles are available for company car users and the business is increasing the number of fully electric vans across the fleet, and electric forklifts within the RTE factory in Elgin.

The Group has also enhanced the lives of nearly 700 people. Creating work placements, job opportunities, supporting apprenticeships, upskilling and supporting new qualifications, has delivered over £225M of Social Value in the local economies where the Group operates, benefiting social enterprises, microbusinesses and SMEs.

Robertson recognises the need to do more and as part of the Responsible Business 2030 Strategy has set a target to generate £1BN of Social Value by 2030 and to become 'climate positive' without increasing carbon offsetting. To achieve this, the Group has committed to generating zero emissions from sites, offices and commercial fleet, supporting customers and supply chain to decarbonise, and delivering a biodiversity net gain on projects. Decarbonisation remains a key element of future product development as we seek to play a leading role in the decarbonisation of the built environment.

Strategic Report – Chairman's Statement *(continued)*

People and Training

The most valuable asset of the Group is the quality of staff and it is a strategic aim to create a high performance culture; educating, training and developing people to be the best they can be; demonstrating a commitment to people development and offering a range of long term career options.

RGHL launched a new People Strategy during the year and established a "Next Gen" strategy specifically aimed at employees aged 16 to 24. Staff benefits, including bonus schemes, pension provision, holiday entitlement and company car offering, continue to be reviewed to ensure benefits suit the needs of employees, help support retention and attract new employees. The Group is committed to diversity, equality, and inclusion (DEI) and recently launched a DEI strategy, part of which encouraged all staff to make individual pledges toward upholding DEI across the Group. It is also the aim of the Group to obtain Investors in People Platinum accreditation at the next review, having just recently being awarded Gold status.

The Group operates a Wellbeing Forum, consisting of staff from across the Group, with a remit to look at all aspects of improving working lives. RGHL now has 181 Mental Health First Aiders across its businesses with another 16 recently completed training. Additionally, a number of new people related forum have been established during the year, designed to ensure engagement with and feedback from all employees irrespective of age or career stage.

Conclusion

The business remains well positioned to ensure a sustainable future and competitive market offering. RGHL has a strong order book, that, in conjunction with the inherent strength of a debt free balance sheet, provides confidence for the Group into the short, medium and long term.

The delivery of an underlying Profit before Tax of £17.5M in the year (after adjusting for the Exceptional Item) represents a pleasing result in a challenging economic and trading environment.

I remain confident that the coming year will deliver another year of sustained, profitable trading activity. The quality and wellbeing of employees, the strength of the order book and ability to manage and mitigate project risk will continue to support trading activity and ensure we meet our profitability targets.

On behalf of the Board, I would like to take this opportunity to thank all staff for their contribution and hard work over the past year, and their continued support.

Sir William G Robertson, CBE

Strategic Report

Principal Activities

Newlands is the Robertson family investment office, responsible for managing the family's broader business and investment interests which includes investments directly owned by Newlands in addition to other family investments outside of Newlands direct ownership.

RGHL, Newlands' largest investment and wholly owned trading subsidiary, is an infrastructure, construction and support services business with principal activities in construction, facilities management, manufacture of timber products, public sector investments, property development and investment, civil engineering, mechanical and electrical engineering and asset management. These activities are carried out by 6 separate business represented by 19 trading entities.

Business Review

The consolidated Newlands business concluded a successful year of trading, delivering turnover of £671M (2022: £616M) and underlying Profit before Tax of £17.5M (2022: £20.5M), adjusting for the Exceptional Item.

The Group operated over 100 construction and development sites and over 100 facilities management sites during the year, across Scotland and the north of England. The health, safety and wellbeing of all staff and supply chain continues to be a key focus and the Group continued to operate safe operating procedures on all sites and offices throughout the year. Operational and productivity improvements to methods of working on site and across all businesses continue to be made.

During the year the Group continued to experience unprecedented levels of inflation across materials, labour and energy, but in conjunction with clients and the supply chain, sustained its overall strategy of delivering a quality product and service on time and on cost. Interest rate rises have also squeezed available budgets across both the public and private sectors. Inflation costs across many aspects of the economy have forced both the public and private sectors to reevaluate projects with a number delayed or cancelled as a result of pressure on both revenue and capital budgets. Despite these issues, the Group has continued to ensure that it can demonstrate excellent value for money to its customers.

The new financial year has got off to a positive start, but, like many businesses, the Group continues to manage the ongoing challenges of labour shortages and inflationary pressures. By working with clients and supply chain partners, the business seeks to mitigate these risks as far as possible during these challenging economic times.

Strategy

RGHL's strategy is predicated on creating value from its family of separate businesses, through on-going trading relationships, use of frameworks, long term investing, selective quality workload and ensuring the highest levels of product quality and service delivery. Focus going forward will be on innovation, sustainability, productivity and improving profitability.

Robertson Group continues to develop and strengthen its business development function channelling market knowledge and customer proximity to target specific market sectors and key clients within those sectors. Through this process areas of opportunity are identified where there is scope to promote the Group's broad range of products and services. The business provides innovative delivery solutions and continually evolve its product and service offering to reflect a changing market, enhancing value for money for clients and achieve sustainable returns for the Group.

Additionally, the Group seeks to continually improve operational performance with an aim to achieve high quality outcomes for all customers, across every project and service delivered. RGHL continues to enhance its productivity and efficiency, challenging the cost base to deliver the desired commercial return. The business is fortunate to have developed a significant and robust internal and external supply chain, giving the business and its customers the confidence in the ability to continually deliver the service they expect.

Strategic Report *(continued)*

The Health and Safety of all employees, customers, supply chain partners and the general public is our number one priority. The fundamental goal is that every person attending a Robertson site or office, return home in the same condition of health that they had when they arrived. The 'Home Safe' campaign has been attended by every employee of the Group and deals with behavioural safety as well as mental wellbeing of all employees. The "Home Safe" campaign has been extended to the supply chain, and to date over 10,000 people have attended this course. RGHL also has in place an online pre-enrolment process for anyone who intends to go onto any construction site. The pre-enrolment process is an internally developed series of videos, with questions that must be completed to allow site access, which requires to be retaken annually.

Principal Risks and Uncertainties Affecting the Business

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

- Economic risk. The group'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.
- Margin erosion/inflationary risk. The group'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 group'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 the 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 group 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 group has no external borrowings. The 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 group 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 group cash flow and profitability.
- Effect of legislation or other regulatory activities. The group continually monitors all forthcoming and current legislation and guidelines to ensure it fully complies with all necessary requirements.
- Construction risk. The group places considerable emphasis on front end controls and ongoing project diligence in an attempt to minimise construction risk.
- Climate change risk: The group is committed to addressing climate change risk and has 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 emissions.
- 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 above.

Strategic Report *(continued)*

Key Performance Indicators

Key non-financial performance indicators include the monitoring of health and safety, quality, community engagement and corporate sustainability throughout the group.

Key financial performance indicators include the monitoring of turnover, profit before tax and net debt.

		Year ended 30 June 2023	Year ended 30 June 2022	
Turnover	£000	670,834	615,557	Turnover
(Loss)/Profit before Tax	£000	(22,475)	20,558	(Loss)/Profit before tax
Net funds	£000	67,537	71,240	Net funds at year end
Number of employees (avg)	Number	2,708	2,554	Average of employees at start and end of year
Operating margin	%	9.6	11.0	Gross profit as a % of Turnover

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

Sir William G Robertson, CBE
Director
27 March 2024

Directors' report

The directors present their annual report and the audited financial statements for the consolidated group for the year to 30 June 2023.

The directors have included in the strategic report matters required by regulations under section 416(4) such as future developments.

Directors

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

Sir W G Robertson, CBE
Lady H M Robertson
E C Robertson
S B Edgar

Directors' indemnities

As permitted by the Companies Act 2006, 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 activities

The group is an infrastructure, construction and support services business with principal activities in construction, manufacture of timber products, public sector investments, property development and investment, civil engineering, mechanical and electrical engineering, asset management and facilities management. These activities are carried out by a number of principal subsidiaries and in joint ventures with others.

The key strategic risks identified by the group are referenced in the Strategic Report.

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

The Group continues to review the trading and cash flow performance of the group 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 Group is in a strong position to deal with any slow down.

At the balance sheet date, the Group had no requirement for any debt facilities to be in place with its bank. The Group has a cash pooling arrangement in place for its subsidiaries, resulting in overdraft positions for some subsidiary companies, however there is no overdraft facility for the combined Group. This was also the case at the date of signing and the group maintains healthy positive cash balances. The latest trading performance is tracking on budget representing sustained profitability. The Group recognises that the management of cash resources is paramount and the directors have a reasonable expectation that the group 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)*

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 group 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 group is embedded in decision making at Board level including regular engagement with the shareholders, who are also directors. The group conducts monthly performance reviews at subsidiary level which are attended by the full senior management teams. All new potential construction and facilities management contracts, and development opportunities are subject to a 3-stage gateway process with final approval by the group directors before an opportunity can be bid.
- The group conducts regular Board 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.
- The most valuable asset of the group 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 group'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 group 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 group'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 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 group aims to protect our environment by operating a robust environmental management system across all residential operations. Our environmental aspects and impacts and 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 group continues to retain i's 'climate positive' status and aims to improve upon this through a series of targeted measures to reduce our emissions.
- The directors are committed to recognising the needs to maintain a fair balance between the potentially competing interests of the different members of the group.

Directors' report *(continued)*

Dividends

The directors recommended that no interim dividend be paid (2022: £nil). No final dividend has been recommended in the year.

Political and charitable donations

The group made political contributions during the year of £nil (2022: £nil). Donations to UK charities amounted to £21,722 (2022: £80,966).

Streamlined energy and carbon report

	Year ended 30 June 2023	Year ended 30 June 2022
Carbon status	Climate Positive	Climate Positive
Methodology	DEFRA: Guidance on how to measure and report your greenhouse gas emissions	DEFRA: Guidance on how to measure and report your greenhouse gas emissions
Third party verifier	One Carbon World	One Carbon World
Third Party verification	ISO 14064:3 (Verification and validation of greenhouse gas statements).	ISO 14064:3 (Verification and validation of greenhouse gas statements).
Turnover (£m)	£671m	£616M
Energy consumption used to calculate emissions: kWh	15,939,116.36	13,122,810.61
Emissions from activities for which the company is responsible including combustion of fuel & operation of facilities: tCO2e	2,660.26	1,811.66
Emissions from purchase of electricity, heat, steam and cooling purchased for own use: tCO2e	475.65	509.80
Total gross Scope 1 & Scope 2 emissions: tCO2e	3,135.91	2,321.45
Intensity ratio: tCO2e per £1m turnover	4.61	3.77
Emissions from other sources out of operational control: tCO2e	3,714.37	3,571.44
Total gross tCO2e	6,243.43	5,608.53
Carbon offsets tCO2e	(8,668.72)	(8,177.41)
Total annual net emissions tCO2e	**(2,425.29)**	**(2,568.88)**

The group has taken a number of actions to successfully increase our energy efficiency and reduce our carbon footprint over the next financial year. These include:

- Continuing to embed digital reporting processes and dashboard for tracking our carbon footprint
- Quarterly carbon footprint reporting for Board
- Third party verification of energy / emissions data
- Offsetting our carbon emissions, to be a verified 'climate positive' business through One Carbon World
- Developing our 'site sustainability scorecard' system
- Smart metering
- Securing earlier grid connections with 100% renewable tariffs
- Utilising HVO to replace diesel fuel
- Planning and reviewing power demand, and generator resizing throughout project
- Utilising alternative eco generator, lighting and equipment
- Energy efficient site cabins / compounds
- Offering electric or hybrid electric company cars at every banding level
- Cycle to work scheme

Directors' report *(continued)*

- Implemented a flexible / home working policy
- Online dashboard reporting on office energy use
- Establishing a Sustainability working group
- Rolling out carbon literacy training for employees
- Increasing the level of climate emergency related content delivered by our Community Impact advisors

The success of these measures will continue to be monitored, with ambitious reduction targets set moving forward.

Employees

During the year, the policy of providing employees with general information continued. The group places value on the involvement of its employees. Relevant information is supplied through formal and informal meetings and an online company magazine. Suggestion schemes operate across the group and a number of people related forum were established during the year to ensure engagement with and feedback from all employees across the group irrespective of age or career stage.

The group always seeks to recruit the best candidate for the job and all reasonable adjustments are made for employment from someone living with a disability, should the candidate meet all educational and job specific requirements.

If an employee declares a disability during the course of their employment, the group makes all reasonable adjustments required to allow employees to continue to fulfil their job requirements successfully and ensures equal opportunities for all employees through our DEI strategy. The group has always continued to examine ways and means to provide career opportunities and promotions for all employees.

Equal opportunities are given to all employees for training, career development and promotion. The group involves employees in matters affecting terms and conditions of employment. Induction courses are run for new employees with a particular emphasis on Health and Safety.

The group is committed to diversity, equality and inclusion (DEI), recently launching a DEI strategy, part of which encouraged all staff to make individual pledges toward upholding DEI values across the group.

Auditor

Pursuant to Section 485 of the Companies Act 2006, the auditor will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office.

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 group's auditor is unaware; and
- the director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the group and the group's auditor is aware of that information.

Approved by the Board and signed on its behalf by:

Irene Wilson

I. Wilson
Company Secretary
27/03/24

10 Perimeter Road
Pinefield Industrial Estate
Elgin, IV30 6AE

Directors' responsibilities statement

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

Company law requires the directors to prepare group and company financial statements for each financial year. Under that law they 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 the group and profit or loss of the company and group for that year.

In preparing each of the group and company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 Newlands (Elgin) Holdings Limited

Opinion

We have audited the financial statements of Newlands (Elgin) Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2023 which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated cash flow statement 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 group's and of the parent company's affairs as at 30 June 2023 and of the group's loss 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 group and parent 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 group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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.

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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 group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operate in and how the group and parent company are 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 group 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.

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.

RSM UK Audit LLP

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

28/03/24

Consolidated profit and loss account
for the year ended 30 June 2023

	Note	Year ended 30 June 2023 £000	Year Ended 30 June 2022 £000
Turnover	3	670,834	615,557
Cost of sales		(606,226)	(548,072)
Gross profit		64,608	67,485
Administrative expenses		(54,871)	(50,215)
Other operating income		2,190	565
Operating profit	4	11,927	17,835
Investment income		92	83
Changes in fair value of investments		(229)	(109)
Share of after tax results of associates		140	95
Share of after tax results of joint ventures		-	-
Exceptional items	5	(40,000)	-
Interest receivable and similar income	6	5,595	2,665
Interest payable and similar charges	6	-	(11)
(Loss)/profit before taxation		(22,475)	20,558
Tax on (loss)/profit	9	(3,834)	(4,085)
(Loss)/profit for the financial year		(26,309)	16,473

All operations are continuing. All income earned by the group are from continuing operations.

The accounting policies and notes on pages 24 to 44 form part of these financial statements

Consolidated statement of comprehensive income
For the year ended 30 June 2023

	Year ended 30 June 2023	Year ended 30 June 2022 £000
(Loss)/profit for the financial year	(26,309)	16,473
Total comprehensive income	(26,309)	16,473

There was no other comprehensive income for the year ended 30 June 2023 (2022: £nil).

The accounting policies and notes on pages 24 to 44 form part of these financial statements

Consolidated balance sheet
at 30 June 2023

	Note	30 June 2023 £000	30 June 2023 £000	30 June 2022 £000	30 June 2022 £000
Fixed assets					
Tangible assets	*10*		6,627		7,010
Intangible assets	*11*		161		322
Investment properties	*12*		3,250		3,675
Investments	*13*		12,733		12,877
Investments in associates	*13*		9,733		9,961
			32,504		33,845
Current assets					
Stocks	*14*	25,694		25,557	
Debtors due within one year	*15*	142,272		157,330	
Debtors due after more than one year	*15*	38,632		36,514	
Cash at bank and in hand		178,193		144,234	
		384,791		363,635	
Creditors: amounts falling due within one year	*16*	(298,310)		(259,541)	
Net current assets			86,481		104,094
Total assets less current liabilities			118,985		137,939
Creditors: amounts falling due after more than one year	*17*		(8,642)		(5,899)
Provisions for liabilities	*18*		(5,195)		(583)
Deferred tax	*19*		-		-
Net assets			105,148		131,457
Capital and reserves					
Called up share capital	*20*		10		10
Revaluation reserve	*20*		109		109
Capital reserve	*20*		534		534
Profit and loss account	*20*		104,495		130,804
			105,148		131,457

These financial statements of Newlands (Elgin) Holdings Limited were approved by the Board of Directors and authorised for issue on 27 March 2024. They were signed on its behalf by:

Sir W G Robertson, CBE
Director

The accounting policies and notes on pages 24 to 44 form part of these financial statements

Company balance sheet
at 30 June 2023

	Note	30 June 2023		30 June 2022	
	Note			£000	£000
Fixed assets					
Tangible assets			1		1
Investments	*13*		141,092		141,053
			141,093		141,054
Current assets					
Debtors due within one year	*15*	13,047		27,569	
Cash at bank and in hand		9,396		10,202	
		22,443		37,771	
Creditors: amounts falling due within one year	*16*	(236)		(9)	
Net current assets			22,207		37,762
Provisions for liabilities	*18*		(4,800)		-
Net assets			158,500		178,816
Capital and reserves					
Called up share capital	*20*		10		10
Merger reserve	*20*		134,980		134,980
Profit and loss account	*20*		23,510		43,826
Shareholder's funds			158,500		178,816

These financial statements of Newlands (Elgin) Holdings Limited were approved by the Board of Directors and authorised for issue on 27 March 2024. They were signed on its behalf by:

Sir W G Robertson, CBE
Director

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year was £20,316,000 (2022: profit of £4,937,000)

The accounting policies and notes on pages 24 to 44 form part of these financial statements

Consolidated statement of changes in equity

For the year ended 30 June 2023

	Called-up share capital	Revaluation reserve	Capital reserve	Profit and loss account	Total
	£000	£000	£000	£000	£000
At 1 July 2021	10	109	534	114,331	114,984
Profit for the financial period	-	-	-	16,473	16,473
At 30 June 2022	10	109	534	130,804	131,457
At 1 July 2022	10	109	534	130,804	131,457
Loss for the financial year	-	-	-	(26,309)	(26,309)
At 30 June 2023	10	109	534	104,495	105,148

The accounting policies and notes on pages 24 to 44 form part of these financial statements

Company statement of changes in equity
For the year ended 30 June 2023

	Called-up share capital	Merger reserve	Profit and loss account	Total
	£000	£000	£000	£000
At 1 July 2021	10	134,980	38,889	173,879
Profit for the financial period	-	-	4,937	4,937
At 30 June 2022	10	134,980	43,826	178,816
At 1 July 2022	10	134,980	43,826	178,816
Loss for the financial year	-	-	(20,316)	(20,316)
At 30 June 2023	10	134,980	23,510	158,500

The accounting policies and notes on pages 24 to 44 form part of these financial statements.

Consolidated cash flow statement
for the year ended 30 June 2023

	Note	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Cash flow from operating activities			
(Loss)/profit for the financial year		(26,309)	16,473
Taxation		3,834	4,085
Changes in fair value of investments		570	109
Net interest income		(5,595)	(2,654)
Investment income		(92)	-
Share of profit in associates		(140)	(95)
Depreciation of tangible assets		1,109	1,270
Amortisation of goodwill		161	161
Taxation		(4,123)	(6,000)
Increase in stocks		(137)	(6,894)
Decrease/(Increase) in debtors		16,198	(20,705)
Decrease in creditors		(10,242)	(6,870)
Decrease in contract assets and liabilities *		11,122	-
Increase in provisions		4,612	83
Loss on disposal of assets		79	3
Net cash outflow from operating activities		(8,953)	(21,034)
Cash flow from investing activities			
Interest received		1,184	1,216
Purchase of tangible fixed assets		(804)	(671)
Proceeds on disposal of investment properties		66	-
Debt repayments from associates		281	279
Dividends from associates		20	-
Investment income		92	-
Net cash inflow from investing activities		839	824
Cash flow from financing activities			
Interest received		4,411	1,449
Interest paid		-	(11)
Net cash inflow from financing activities		4,411	1,438
Net decrease in cash at bank and in hand		(3,703)	(18,772)
Cash and cash equivalents at 1st July 2022		71,240	90,012
Cash and cash equivalents at 30 June 2023		67,537	71,240
Cash and cash equivalents consist of:			
Cash at bank and in hand		178,193	144,234
Bank loans and overdrafts		(110,656)	(72,994)
Cash and cash equivalents	25	67,537	71,240

The accounting policies and notes on pages 24 to 44 form part of these financial statements

*Note that contract assets and liabilities have been split out in the year to 30 June 2023

Notes

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding period.

General information and basis of preparation

Newlands (Elgin) Holdings Limited is a private company limited by shares incorporated in Scotland under the Companies Act. The address of the registered office is given on page 1. The nature of the group's operations and its principal activities are set out in the strategic report on pages 2 to 8.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

Newlands (Elgin) Holdings Limited meets the definition of a qualifying entity under FRS 102 and the company has taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements.

The company 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.
- the requirements of Section 33 Key Management Personnel Compensation paragraph 33.7.

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

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).

The functional currency of Newlands (Elgin) Holdings Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the group operates. The consolidated financial statements are also presented in pounds sterling.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 30 June 2023.

The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

An associate is an undertaking in which the group has a long term interest, usually from 20% to 50% of the equity voting rights, and over which it exercises significant influence. A joint venture is an undertaking in which the group has a long-term interest and over which it exercises joint control. The group's share of the profits less losses of associates and of joint ventures is included in the consolidated profit and loss account and its interest in their net assets, is included in investments in the consolidated balance sheet.

Under section 408 of the Companies Act 2006 the company has taken exemption from the requirement to present its own profit and loss account.

Notes *(continued)*

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

The group continues to review the trading and cash flow performance of the group 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 group is in a strong position to deal with any slow down.

At the balance sheet date, the group had no requirement for any debt facilities to be in place with its bank. The group has a cash pooling arrangement in place for its subsidiaries, resulting in overdraft positions for some subsidiary companies. However, there is no overdraft facility for the combined group. This was also the case at the date of signing and the group maintains healthy positive cash balances. The latest trading performance is tracking on budget representing sustained profitability. The group recognises that the management of cash resources is paramount and the directors have a reasonable expectation that the group 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.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision 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:

Freehold buildings	-	50 years
Plant and machinery	-	3 to 10 years
Fixtures, fittings and equipment	-	4 to 5 years
Motor vehicles	-	5 to 10 years

No depreciation is provided on freehold land.

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account.

Development expenditure

Pre-contract costs are expensed as incurred until the group is appointed as sole preferred bidder. Provided the contract is expected to generate sufficient net cash inflows to enable recovery and the award of contract is virtually certain, pre-contract costs incurred subsequent to 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 profit and loss account.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. In determining the cost of raw materials and consumables the first in first out method is used. For work in progress and finished goods cost is taken as production cost which comprises materials, direct labour and attributable production overheads according to the stage of completion.

Property developments in the course of construction are carried at cost as part of work in progress until such time as the property is complete. Interest incurred on project specific borrowings is capitalised within the cost of the appropriate project.

Notes *(continued)*

Stocks *(continued)*

Development land stock is stated at the lower of cost and net realisable value. Cost comprises the purchase price of the land together with all attributable expenditure incurred in making ready the site for development and ultimate resale.

Revenue Recognition

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 deferred income 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 balance sheet date. 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 year 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. Payments received on account represent amounts received in excess of turnover recognised.

Rental income is recognised as it is earned.

Turnover, in relation to facilities management, is recognised when goods are physically delivered to the customer or in relation to the supply of services, the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Due to the nature of some long-term contracts the outcome cannot be measured reliably due to potential complexities and uncertainties around future requirements. Where contract outcome cannot be measured reliably, revenue is only recognised to the extent of the contractual terms under which the expenses are recoverable and costs are recognised in the period in which they are incurred.

Government grants

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

Taxation

Current tax, including UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that resulted in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's or group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Notes *(continued)*

Pensions

The group contributes to group personal pension plan for employees who also undertake to contribute, the costs of which are charged to the profit and loss account as they become payable. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting year. Differences between contributions payable in the year and contributions actually paid are shown as accruals in the balance sheet.

Leases

Assets held under hire purchase contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset and depreciated over the shorter of the lease term and their useful lives. The capital elements of future lease obligations are recorded as liabilities, whilst the interest elements are charged to the profit and loss account over the year of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals 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.

Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

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

Financial assets are recognised in the group's balance sheet when the group becomes a party to the contractual provisions of a financial instrument. These are measured at fair value with subsequent remeasurement recognised through profit or loss.

Debtors

Short term 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

Short term creditors are measured at the transaction price.

Notes *(continued)*

Fixed Asset Investments

Equity investments are recognised initially at fair value, which is normally the transaction price (excluding transaction costs). Subsequently, they are measured at fair value through the profit and loss account, using a reliable measure of fair value taking into account the secondary market for such investments and the operational phase of the investment.

Investments in subsidiaries are stated at cost less provision for impairment.

2 Significant judgements and estimates

In the application of the group'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 year end date, and the amounts reported for revenues and expenses during the year.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, and in future years should it affect future years.

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.

- Valuation of investment properties – as referred to in Note 12 property values are reviewed annually and are subject to fair value assessment by appropriately qualified employees
- Valuation of investments – fair value review of all investments held is carried out annually with reference to market conditions and underlying operating stage of the equity investment.
- Contract accounting – as referred to in Note 1, 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. Debtors recoverability is also monitored as part of this process. Movement in margin is recognised when prudent to do so but immediately in the event there is a foreseeable loss.
- A fair value review of intercompany loans to Robertson Capital Projects Hub Investments Limited and Robertson Capital Projects Investments 3 Limited is carried out annually with reference to market conditions and the underlying investments held by the companies. The directors deem that fair value currently equates to cost.

Notes *(continued)*

3 Turnover

The total turnover of the group for the year has been derived from the group's principal activities wholly undertaken in the UK. An analysis of the group's turnover by business class is set out below:

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Contract revenue	509,102	478,749
Facilities management	142,514	117,035
Other	19,218	19,773
	670,834	615,557

4 Operating profit

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Operating profit is stated after charging/(crediting):		
Depreciation of tangible assets	1,109	1,271
Operating lease rentals		
- land and buildings	1,004	1,020
- other assets	2,151	1,527
Loss on disposal of fixed assets	79	3
Auditor's remuneration		
Audit of these financial statements	15	15
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	290	263
Other services relating to taxation & other services	-	-

5 Exceptional items

Newlands incurred an Exceptional Item charge of £40M in the year ended June 2023. This was a provision taken in respect of anticipated non-recovery of a loan made to a related business under common shareholder ownership (not a subsidiary of Newlands).

Notes *(continued)*

6 Finance costs

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Interest receivable and similar income:		
Interest receivable from related parties	4,682	2,597
Bank interest receivable	884	63
Other interest receivable	29	5
	5,595	2,665
Interest payable and similar charges:		
Interest payable on bank loans and overdrafts	-	11
	-	11

7 Remuneration of directors

Group	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Directors' emoluments	2,458	2,433
Company contributions to money purchase schemes	63	59
	2,521	2,492

The directors of the company are remunerated via a subsidiary undertaking. Retirement benefits are accruing to 2 directors (2022: 2) under money purchase pension schemes. The total emoluments of the highest paid director were £1,122,056 (2022: £1,193,873). Pension contributions made on their behalf were £55,000 (2022: £50,000).

Key personnel are considered to be the Group Board, their salary information is included above.

Notes *(continued)*

8 Staff numbers and costs – Group

The average number of persons employed (including directors) during the year, analysed by category, was as follows:

Group	Year ended 30 June 2023 Number	Year ended 30 June 2022 Number
Construction and property development	896	824
Administration	466	452
Facilities management	1,346	1,278
	2,708	2,554

The aggregate payroll costs to these persons were as follows:

	£000	£000
Wages and salaries	106,833	95,482
Social security costs	11,474	10,087
Other pension costs	7,042	5,550
	125,349	111,119

Company

Administration	3	3

The aggregate payroll costs to these persons were as follows:

	£000	£000
Wages and salaries	687	402
Social security costs	92	59
Other pension costs	5	4
	784	465

Notes *(continued)*

9 Tax on profit

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Analysis of charge in the year		
UK corporation tax		
Current tax on income for the year	3,589	4,008
Group relief	-	-
Adjustment in respect of R & D expenditure credit	-	-
Adjustment in respect of prior years	395	(48)
Total tax charge	3,984	3,960
Deferred tax (see note 19)		
Effect of tax rate change on opening balance	(27)	8
Origination/reversal of timing differences	(123)	27
Adjustment in respect of prior years	-	90
	(150)	125
Total tax on profit	3,834	4,085

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (*2022: higher*) than the standard rate of corporation tax in the UK of 20% *(2022: 19%)*. The differences are explained below.

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Current tax reconciliation		
(Loss)/Profit before tax	(22,475)	20,558
Current tax at 20% (*2022: 19%*)	(4,607)	3,906
Effects of:		
Non-deductible expenses	8,470	146
Losses	-	4
Income not taxable	(427)	(16)
Group relief surrendered	30	-
Adjustments to tax charge in respect of prior years	395	37
Tax rate changes	(27)	8
Total tax charge (see above)	3,834	4,085

Factors affecting the future tax charges

The Government announced in the Budget on 3 March 2021 that the main rate of corporation tax would increase to 25% for the financial year beginning 1 April 2023. These new laws were substantively enacted on 24 May 2021. The Fiscal Event of 23 September 2022 reversed the planned increase in the headline rate of corporation tax from 19% to 25% that had been planned from 1 April 2023. However, that has now been overturned and the increase will go ahead as planned as confirmed in the Autumn statement in November 2022. Deferred taxes at the balance sheet date have been measured using the enacted tax rate of 25% and reflected in these financial statements.

Notes *(continued)*

10 Tangible fixed assets

Group	Freehold land and buildings £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
Cost					
At beginning of year	8,335	6,774	4,073	43	19,225
Additions	103	522	179	-	804
Disposals	(34)	(283)	(166)	(15)	(498)
Transfers	-	(135)	135	-	-
At end of year	8,404	6,878	4,221	28	19,531
Depreciation					
At beginning of year	2,974	5,690	3,518	33	12,215
Charge for the year	187	469	449	4	1,109
Disposals	-	(240)	(165)	(15)	(420)
Transfers	-	(97)	97	-	-
At end of year	3,161	5,822	3,899	22	12,904
Net book value					
At 30 June 2023	5,243	1,056	322	6	6,627
At 30 June 2022	5,361	1,084	555	10	7,010

Notes *(continued)*

11 Intangible asset

Goodwill	Group £000
Cost	
At beginning of year	322
Charge for the year	(161)
At end of year	161

12 Investment properties

	Group £000
Cost or valuation	
At beginning of year	3,675
Disposals	(66)
Revaluation	(359)
At end of year	3,250

If investment properties were stated on a historical cost basis rather than a fair value basis, the following amounts would have been included:

	Group	
	30 June 2023 £000	30 June 2022 £000
Cost	3,763	3,829
Accumulated depreciation	(1,711)	(1,640)
Carrying value	2,052	2,189

Investment properties, which are all freehold, were revalued to fair value at 31 March 2018 based on a valuation undertaken by Rydens (members of The Royal Institute of Chartered Surveyors), an independent valuer with experience in the location and class of the investment property being valued, on the basis of open market value based on the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. For the current year an internal valuation report was prepared by our Group Property Manager who is a member of The Royal Institute of Chartered Surveyors. The valuation report prepared was consistent with that role, on the basis of open market value based on the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. This report was reviewed by the Company directors and the values were considered to be appropriate at 30 June 2023.

Notes *(continued)*

13 Fixed asset investments

Group	Investments	Interests in associated undertakings	Total
	£000	£000	£000
Shares at cost			
At beginning of year	6,063	286	6,349
Revaluation	39	(138)	(99)
At end of year	6,102	148	6,250
Loans			
At beginning of year	6,814	8,061	14,875
Revaluation in year	(57)	(55)	(112)
Eliminated on disposal	(126)	(155)	(281)
At end of year	6,631	7,851	14,482
Shares of post-acquisition reserves			
At beginning of year	-	1,614	1,614
Retained profits less losses for the year	-	140	140
Dividend paid	-	(20)	(20)
At end of year	-	1,734	1,734
Net book value			
At 30 June 2023	12,733	9,733	22,466
At 30 June 2022	12,877	9,961	22,838

Associates and joint ventures

The total of the group's profit after taxation from interests in associates and joint ventures was a profit of £140,000 (2022: £95,000).

Notes *(continued)*

13 Fixed asset investments *(continued)*

Company	Subsidiary undertakings shares £000	Investment in shares £000	Total £000
Cost and net book value			
At beginning of year	134,990	6,063	141,053
Revaluations	-	39	39
At end of year	134,990	6,102	141,092

The principal undertakings in which the group holds more than 20% of the share capital are as follows:

	Registered office	Shares held Class	%	Principal activity
Subsidiary undertakings of Newlands (Elgin) Holdings Limited				
Robertson Group (Holdings) Limited	A	Ordinary	100	Holding company
Subsidiary undertakings of Robertson Group (Holdings) Limited				
Robertson Group Limited	A	Ordinary	100	Holding company
Robertson Timber Engineering Limited	A	Ordinary	100	Timberkit manufacture
Robertson Facilities Management Limited	A	Ordinary	100	Facilities management
Robertson Capital Projects Limited	A	Ordinary	100	PFI project management
Robertson Residential Managed Properties Limited	A	Ordinary	100	Residential property
Robertson Construction Central Limited	A	Ordinary	100	Construction
Robertson Construction Eastern Limited	A	Ordinary	100	Construction
Robertson CE Limited	A	Ordinary	100	Construction
Robertson Construction Northern Limited	A	Ordinary	100	Construction
Robertson Construction Tayside Limited	A	Ordinary	100	Construction
Robertson Construction Highland Limited	A	Ordinary	100	Construction
Robertson Construction Central Scotland Limited	A	Ordinary	100	Construction
Robertson Construction Yorkshire East Midlands Limited	D	Ordinary	100	Construction
Robertson Construction North West Limited	D	Ordinary	100	Construction
Robertson Construction Civil Engineering Limited	A	Ordinary	100	Construction
Robertson Construction Central West Limited	A	Ordinary	100	Construction
Robertson Construction Group Limited	A	Ordinary	100	Construction
Robertson Property Limited	A	A and B Ordinary	100	Property development
Robertson Capital Projects Hub Investments Limited	A	Ordinary	100	Project investment
Robertson Capital Projects Investments 2 Limited	A	Ordinary	100	Project investment
Robertson Capital Projects Investments 3 Limited	A	Ordinary	100	Project investment
Robertson Capital Projects Investments 4 Limited	A	Ordinary	100	Project investment
Robertson Regeneration Limited	A	Ordinary	100	Property development
Robertson Health Orkney Limited	A	Ordinary	100	Healthcare facility construction
Robertson-Dawn Health Limited	B	Ordinary	100	Construction
Robertson Strategic Asset Management Limited	A	Ordinary	100	Property services
Urban Union Limited	A	Ordinary	100	Property development

Notes *(continued)*

13 Fixed asset investments *(continued)*

Joint ventures				
RMF Health Limited	B	Ordinary	50	Construction
Associates				
Elgin City Football Club Limited	C	Ordinary	41	Football Club
Hub East Central Scotland Limited	B	Ordinary	25	Project investment
Amber Blue East Central Limited	B	Ordinary	42	Project investment
Hub East Central (Levenmouth) Midco Limited	B	Ordinary	25*	Project investment
Hub East Central (Levenmouth) Limited	B	Ordinary	25*	Project investment
Hub East Central (Forfar) Midco Limited	B	Ordinary	25*	Project investment
Hub East Central (Forfar) Limited	B	Ordinary	25*	Project investment
Hub East Central (Baldragon) Midco Limited	B	Ordinary	25*	Project investment
Hub East Central (Baldragon) Limited	B	Ordinary	25*	Project investment
Hub East Central (SCV) Midco Limited	B	Ordinary	25*	Project investment
Hub East Central (SCV) Limited	B	Ordinary	25*	Project investment
Hub East Central (PSS) Midco Limited	B	Ordinary	25*	Project investment
Hub East Central (PSS) Limited	B	Ordinary	25*	Project investment
Hub East Central (Bertha Park) Midco Limited	B	Ordinary	25*	Project investment
Hub East Central (Bertha Park) Limited	B	Ordinary	25*	Project investment
Hub East Central (Angus Schools) Midco Limited	B	Ordinary	25*	Project investment
Hub East Central (Angus Schools) Limited	B	Ordinary	25*	Project investment

A – 10 Perimeter Road, Pinefield Industrial Estate, Elgin, Scotland, IV30 6AE
B – Robertson House, Castle Business Park, Stirling, Stirlingshire, FK9 4TZ
C – Borough Briggs, Borough Briggs Road, Elgin, Morayshire, IV30 1AP
D - Level 4, West Tower, Baltic Place, Gateshead, United Kingdom, NE8 3AE

*60% equity investment held by Amber Blue East Central Limited which is 41.67% held by Robertson Capital Projects Hub Investments Limited providing an indirect holding of 25%.

14 Stocks

	Group 30 June 2023 £000	30 June 2022 £000
Raw materials and consumables	899	982
Work in progress	18,515	17,645
Development land	6,280	6,930
	25,694	25,557

The difference between purchase price of stocks and its replacement cost is not material.

Notes *(continued)*

15 Debtors

	Company		Group	
	30 June 2023 £000	30 June 2022 £000	30 June 2023 £000	30 June 2022 £000
Amounts falling due within one year:				
Trade debtors	-	-	44,951	45,980
Amounts recoverable on contracts	-	-	49,128	51,623
Amounts owed by related parties	12,988	27,502	23,060	35,200
Deferred tax (note 19)	55	55	201	51
Other debtors	4	2	13,929	13,073
Group relief receivable	-	10	-	-
Prepayments and accrued income	-	-	2,239	2,755
Corporation tax payment on account	-	-	5,319	1,610
Other tax and social security	-	-	3,445	7,038
	13,047	27,569	142,272	157,330
Amounts falling due after more than one year:				
Trade debtors	-	-	569	345
Amounts recoverable on contracts	-	-	10,834	8,940
Amounts owed by related parties	-	-	27,229	27,229
	-	-	38,632	36,514

16 Creditors: amounts falling due within one year

	Company		Group	
	30 June 2023 £000	30 June 2022 £000	30 June 2023 £000	30 June 2022 £000
Bank loans and overdrafts (note 17)	-	-	110,656	72,994
Payments received on account	-	-	23,547	13,026
Trade creditors	-	8	38,478	41,158
Amounts owed to group undertakings	-	1	-	-
Amounts owed to related parties	-	-	691	2,055
Corporation tax	95	-	3,570	-
Group relief payable	141	-	-	-
Other taxes and social security	-	-	17,447	19,643
Other creditors	-	-	8,171	12,317
Accruals and deferred income	-	-	95,750	98,348
	236	9	298,310	259,541

Notes *(continued)*

17 Creditors: amounts falling due after more than one year

	Company		Group	
	30 June 2023 £000	30 June 2022 £000	30 June 2023 £000	30 June 2022 £000
Trade creditors	-	-	8,028	5,250
Payments on account	-	-	-	-
Amounts owed to related parties	-	-	614	649
	-	-	8,642	5,899

	Company		Group	
	30 June 2023 £000	30 June 2022 £000	30 June 2023 £000	30 June 2022 £000
Analysis of debt:				
Debt can be analysed as falling due:				
In one year or less, or on demand	-	-	110,656	72,994
	-	-	110,656	72,994

Notes *(continued)*

18 Provisions for liabilities

Group	30 June 2023			30 June 2022		
	Provision for Defects (1)	Provision against related party loan (2)	Total	Provision for Defects (1)	Provision against related party loan (2)	Total
	£000	£000	£000	£000	£000	£000
At 1st July 2022	(583)	-	(583)	(500)	-	(500)
Charged to profit and loss	-	(4,800)	(4,800)	(228)	-	(228)
Utilised in year	188	-	188	145	-	145
	(395)	(4,800)	(5,195)	(583)	-	(583)

Company	30 June 2023 Provision against related party loan (2)	Total	30 June 2022 Provision against related party loan (2)	Total
	£000	£000	£000	£000
At 1st July 2022	-	-	-	-
Charged to profit and loss	(4,800)	(4,800)	-	-
Utilised in year	-	-	-	-
	(4,800)	(4,800)	-	-

(1) Provision to resolve likely defects calculated based on quotations and best estimates of the value of the work required.
(2) Provision against related party loan relates to a provision taken in respect of anticipated non-recovery of a loan made to a related business under common shareholder ownership (not a subsidiary of Newlands).

Notes *(continued)*

19 Deferred tax

Deferred taxation asset/ (liability)	Accelerated capital allowances	Other timing differences	Capital gains	Losses carried forward	Other	Total
Group	£000	£000	£000	£000	£000	£000
At beginning of year	(107)	194	54	52	(142)	51
Charge to the profit and loss account for the year	98	(20)	-	60	12	150
At end of year	(9)	174	54	112	(130)	201

Deferred taxation asset Company	Accelerated capital allowances £000	Capital losses £000	Total £000
At beginning of year	1	54	55
Credit to the profit and loss account for the year	-	-	-
At end of year	1	54	55

20 Called up share capital

Allotted, called up and fully paid	30 June 2023 £	30 June 2022 £
5,502,500 A Ordinary shares of £0.001	5,503	5,503
2,501,500 B Ordinary shares of £0.001	2,502	2,502
500,500 C Ordinary shares of £0.001	501	501
500,500 D Ordinary shares of £0.001	501	501
1,001,000 E Ordinary shares of £0.001	1,001	1,001
	10,008	10,008

The company has 5 classes of ordinary share which carry no rights to fixed income.

The company's other reserves are as follows:

The profit and loss account represents cumulative profits and losses, net of dividends and other adjustments, plus a capital reserve which represents a distributable reserve arising in the year to 31 March 2015 when members of management exercised their option to sell their performance based shares to Robertson Group Limited, and is the remaining balance following settlement.

Revaluation reserve represents historic revaluations in subsidiary companies.

Merger reserve created as a result of the demerger of Robertson Homes Limited, Robertson Partnership Homes Limited and Robertson Living Limited in April 2018.

Notes *(continued)*

21 Contingent liabilities, contractual disputes and guarantees

At the year 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 long term contracts are certain amounts which are the subject of ongoing negotiations with customers. The directors are of the opinion that adequate provision has been made in respect of ongoing claims and disputes at the year end.

22 Commitments

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

	Group	
	30 June 2023	30 June 2022
	£000	£000
Operating leases which expire:		
Within one year	2,355	1,552
Between two and five years	4,797	1,688
In five years or more	-	-
	7,152	3,240

There are no lease commitments within the company.

23 Pension costs

The group operates a defined contribution pension scheme in respect of all eligible employees. The schemes and their assets are held by independent fund managers in the name of each individual employee.

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Contributions payable by the group for the year	7,042	5,550

Notes *(continued)*

24 Related party transactions

Related party transactions with 100% owned group undertakings are excluded from the consolidated financial statements and are therefore exempt from disclosure in the financial statements under the provisions of FRS 102 'Related Party Disclosures'.

During the year the group entered into transactions with associate companies and entities under common shareholder control. The transactional and year end balances with these companies were as follows:

	Turnover		Amounts owed by related parties	
	Year ended 30 June 2023	Year ended 30 June 2022	30 June 2023	30 June 2022
	£000	£000	£000	£000
Contracting and project management revenue	24,998	29,618	1,106	2,634
Facilities management services	2,610	2,532	1,636	182
Contracting revenue procured through a framework agreement	20,072	7,026	2,903	839
Administration activities	3,066	2,528	44,644	58,774
	50,746	41,704	50,289	62,429

	Costs		Amounts owed to related parties	
	Year ended 30 June 2023	Year ended 30 June 2022	30 June 2023	30 June 2022
	£000	£000	£000	£000
Contracting and project management costs	6,238	12,631	1,174	2,700
Contracting costs through a framework agreement	-	-	-	-
Administration activities	282	192	131	4
	6,520	12,823	1,305	2,704

At the year end a director, Sir W G Robertson, CBE, had an interest free loan of £3,430 (2022: £8,775). The maximum amount outstanding in the year was £44,705 (2022: £37,631).

During the year the group made sales to E C Robertson of £nil (2022: £nil), the balance outstanding at the year end was £nil (2022: £6,000).

During the year a loan of £17.4m was made to a related business under common shareholder ownership (not a subsidiary of Newlands). A provision of £40m was subsequently taken in respect of anticipated non-recovery of the total loan as detailed in note 5.

Notes *(continued)*

25 Net debt reconciliation

	30 June 2022 £000	Cash flows £000	30 June 2023 £000
Cash at bank and in hand	144,234	33,959	178,193
Bank overdrafts	(72,994)	(37,662)	(110,656)
	71,240	(3,703)	67,537

26 Ultimate controlling party

The company is controlled by Sir W G Robertson, CBE, who owns 65% of the issued share capital.