

**R.G. Carter Technical Services Limited**  
**Unaudited**  
**Annual Report and Financial Statements**  
**For the Year Ended 31 December 2021**

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**R.G. Carter Technical Services Limited**

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**Company Information**

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**Directors** JP Moynihan  
RJ Alflatt  
IR Groom  
NJ Claxton  
SA Clarke  
EC Vinters

**Company secretary** JM Gibbins

**Registered number** 02077392

**Registered office** Drayton  
Norwich  
Norfolk  
NR8 6AH

## **Introduction**

The purpose of the Company is to act as the centre for the management, administration and business services to the R.G. Carter Holdings Limited Group.

## **Business review**

The Company largely generates its income from the Group and has reported a pre-tax profit of £319,000 for the period (2020 - £144,000).

The Directors are also pleased with the improvement of the balance sheet of the Company, with net assets of £746,000 (2020 - £495,000).

Employee numbers have remained consistent at 101 (2020 - 108) and continues to improve the service provided to the Group by making available a highly trained and dedicated workforce.

The Directors are confident that a sustainable and satisfactory result will be achieved in 2022, given the current market conditions.

## **Principal risks and uncertainties**

One of the key areas of the Company's business strategies is its ability to identify and manage effectively the risks to its business and operations. The Company's approach, through its Integrated Management Systems, is to identify the key risks and then assess the effectiveness of controls to mitigate the impact and likelihood of these risks occurring. The principal risks are set out below, together with a summary of the actions taken to mitigate each risk.

### ***Economic climate***

The Company considers the effect of the current economic climate on contractual terms and conditions, availability of labour resources and potential volatility in procuring materials.

To mitigate against this, the Company works with a broad and diverse range of clients, who themselves operate across a number of different markets.

### ***Health and safety and environmental impact***

The Company's business is inherently complex and requires monitoring and management of health, safety and environmental risks.

Processes are in place to minimise these risks and are monitored by a Company resource in accordance with OHAS18001 and ROSPA standards.

### ***Legal and regulatory***

The Company is subject to a number of legal and regulatory requirements which are monitored and any new developments responded to.

Contracts entered into by the Company are subjected to a review process to ensure that risks are identified and, where necessary, appropriate processes are put in place to mitigate those risks.

### ***Project delivery***

The Company has many projects at any point in time and the risks that the Company is exposed to are dependent on the nature of the work undertaken.

Projects in progress are managed through the Company's operating structure and procedures. Risks are monitored and updated by dedicated project teams.

### ***Reputation and business conduct***

The Company's ability to tender for new work is dependent on its relationship with its customers and other stakeholders.

The Company monitors performance through customer feedback and complies with the Bribery Act 2010.

### ***Geo-political impact***

The construction industry continues to face uncertainties because of impacts of COVID-19, Brexit and geo-political conflicts in Ukraine, resulting in continued volatility in availability of labour and materials, and cost inflation. The Directors considers these uncertainties will continue for the foreseeable future and steps have been taken to review the length of contracts undertaken ensuring back-to-back arrangements with its supply chain.

### Financial risk management objectives and policies

In common with other businesses, the Company aims to minimise financial risk. The measures used by the Directors to manage this risk include the preparation of profit and cash flows forecasts and regular monitoring of actual performance against these forecasts. Contracts are closely monitored to keep the risk of bad debts to a minimum. The Group monitors the financial strength of the Banks, with which it does business, to help minimise the risk to the Group's cash reserves of a bank failing.

### Financial and non-financial key performance indicators

The Directors regularly use key performance indicators (KPI's) to monitor the financial position of the Company together with non-financial indicators. These include:

	2021 £	2020 £
Gross profit	6,868,000	4,926,000
Profit before tax	319,000	144,000
Cash at bank and in hand	2,376,000	37,000
Staff (decrease)/increase	(6.48%)	4.85%

This report was approved by the board on 4 July 2022 and signed on its behalf.



**JM Gibbins**  
Secretary

The Directors present their report and the financial statements for the year ended 31 December 2021.

#### **Directors' responsibilities statement**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

#### **Results and dividends**

The profit for the year, after taxation, amounted to £251,000 (2020 - £78,000).

No dividends were paid during the year (2020 - £Nil).

The Company made no political or charitable contributions during the year (2020 - £Nil).

#### **Directors**

The Directors who served during the year were:

JP Moynihan  
RJ Alflett  
IR Groom  
NJ Claxton  
SA Clarke  
EC Vinters

**Matters covered in the Strategic Report**

Under S414c(11) of the Companies Act 2006, the following information is included in the Strategic Report:

- A review of the business including developments in the year, its performance and current position;
- A summary of the principal risks and uncertainties affecting the position of the Company; and
- Information relating to the KPI's of the Company.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

This report was approved by the board on 4 July 2022 and signed on its behalf.



JM Gibbins  
Secretary

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**R.G. Carter Technical Services Limited**

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**Statement of Income and Retained Earnings  
For the Year Ended 31 December 2021**

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			Represented *
	Note	2021 £000	2020 £000
Turnover	4	<b>14,578</b>	18,735
Cost of sales		<b>(7,710)</b>	(13,809)
<b>Gross profit</b>		<b>6,868</b>	4,926
Administrative expenses		<b>(6,549)</b>	(4,956)
Other operating income	5	-	174
<b>Operating profit</b>	6	<b>319</b>	144
Tax on profit	10	<b>(68)</b>	(66)
<b>Profit after tax</b>		<b>251</b>	78
Retained earnings at the beginning of the year		<b>495</b>	417
		<b>495</b>	417
Profit for the year		<b>251</b>	78
<b>Retained earnings at the end of the year</b>		<b>746</b>	495

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of income and retained earnings.

\* See the basis of preparation of the financial statements for details of the representation.

The notes on pages 9 to 23 form part of these financial statements.



**R.G. Carter Technical Services Limited**  
Registered number:02077392

**Statement of Financial Position**  
**As at 31 December 2021**

	<b>Note</b>	<b>2021 £000</b>	<b>2020 £000</b>
<b>Fixed assets</b>			
Intangible assets	11	792	1,231
Tangible assets	12	1,666	1,308
Investments	13	200	200
		<u>2,658</u>	<u>2,739</u>
<b>Current assets</b>			
Stocks	14	284	103
Debtors: amounts falling due within one year	15	4,475	15,424
Cash at bank and in hand	16	4,369	37
		<u>9,128</u>	<u>15,564</u>
Creditors: amounts falling due within one year	17	(11,040)	(17,808)
<b>Net current liabilities</b>		<u>(1,912)</u>	<u>(2,244)</u>
<b>Total assets less current liabilities</b>		<u>746</u>	<u>495</u>
<b>Net assets</b>		<u>746</u>	<u>495</u>
<b>Capital and reserves</b>			
Called up share capital	19	-	-
Profit and loss account	20	746	495
		<u>746</u>	<u>495</u>

**Statement of Financial Position (continued)**  
**As at 31 December 2021**

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The Directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

4 July 2022.

*E - C Vinters*

**EC Vinters**  
Director

The notes on pages 9 to 23 form part of these financial statements.

## 1. General information

The Company is a private Company limited by shares, registered in England and Wales.

The address of the registered office and its principal place of business is 9-11 Drayton High Road, Drayton, Norwich, Norfolk, NR8 6AH.

The principal activity of the Company is providing advisory services to the building industry including the RG Carter Group.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

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

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

#### *Change in format of the Statement of Income and Retained Earnings*

In the prior year, staff costs and depreciation were shown separately below gross profit, and administrative costs were shown within cost of sales. The Directors have elected to change the presentation in the current year as they have determined that this provides a more relevant and reliable presentation of the nature of the expenses, in accordance with FRS 102. No adjustments were required in the year ended 31 December 2020 as a result of the change in presentation.

### 2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of R.G. Carter Holdings Limited as at 31 December 2021 and these financial statements may be obtained from Companies House.

### 2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

## **2. Accounting policies (continued)**

### **2.4 Going concern**

Notwithstanding net current liabilities of £1,912,000 as at 31 December 2021, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors of R.G. Carter Holdings Limited have prepared a Group cash flow forecast for a period to December 2023 which indicates that the Group will have sufficient funds to support the Company, to meet its liabilities as they fall due for that period, including not seeking repayment of the amounts currently due to the Group.

R.G. Carter Holdings Limited has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the Group forecast. As with any company placing reliance on other Group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

R.G. Carter Holdings Limited has conducted a reverse stress test on the ability of the Group to continue as a going concern which the Directors have reviewed. This assumes that the Group generates no revenue and assumes no changes to its fixed cost base for the period ending 31 December 2023. This shows that even when applying the reverse stress test scenario the Group would still be able to meet its liabilities as they fall due for the forecast period.

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

### **2.5 Revenue**

Turnover comprises revenue recognised in respect of goods and services supplied during the year, exclusive of value added tax and trade discounts.

### **2.6 Operating leases: the Company as lessee**

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

### **2.7 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

### **2.8 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

## 2. Accounting policies (continued)

### 2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

### 2.10 Pensions

#### Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

#### Multi-employer pension plan

The Company participates in the R.G. Carter Limited and Associated Companies Pension Fund. This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the Group. The Company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme.

### 2.11 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

## 2. Accounting policies (continued)

### 2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

### 2.13 Tangible fixed assets

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

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

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

Depreciation is provided on the following basis:

Short-term leasehold property	- over the period of the lease
Plant and machinery	- 20% straight line
Motor vehicles	- 20 - 25% straight line
Fixtures and fittings	- 15 - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

### 2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Interests in subsidiaries are assessed for impairment at each reporting date.

## **2. Accounting policies (continued)**

### **2.15 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

### **2.16 Debtors**

Trade debtors which are receivable within one year are measured at the transaction price less any impairment losses.

A provision for impairment of trade debtors is established and recognised in profit and loss when there is objective evidence that the amounts due will not be collected according to the original terms of the contract.

### **2.17 Cash and cash equivalents**

Cash and cash equivalents include cash and deposit accounts with a short maturity of twelve months or less from the date of deposit that are subject to an insignificant risk of change in value.

### **2.18 Creditors**

Short-term creditors are measured at the transaction price less any amounts settled.

### **2.19 Provisions for liabilities**

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

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

### **2.20 Financial instruments**

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid

## 2. Accounting policies (continued)

### 2.20 Financial instruments (continued)

or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

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

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

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

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

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Using the information available at the balance sheet date, the Directors make judgements based on experience on the level of provisions required for impairment of investments in subsidiaries and trade debtors. Further information received after the balance sheet may impact on the level of provisions required.



Notes to the Financial Statements  
For the Year Ended 31 December 2021

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**4. Turnover**

The whole of the turnover is attributable to the Company's principal activity.

All turnover arose within the United Kingdom.

**5. Other operating income**

	2021 £000	2020 £000
Furlough	-	174
	<u>-</u>	<u>174</u>

**6. Operating profit**

The operating profit is stated after charging:

	2021 £000	2020 £000
Other operating lease rentals	334	114
Amortisation of intangible fixed assets	439	356
Depreciation of tangible fixed assets	582	629
Profit on disposal of tangible fixed assets	(90)	(14)
	<u>(90)</u>	<u>(14)</u>

**7. Auditors' remuneration**

	2021 £000	2020 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	-	24
	<u>-</u>	<u>24</u>

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**Notes to the Financial Statements  
For the Year Ended 31 December 2021**

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**8. Employees**

Staff costs, including Directors' remuneration, were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>3,300</b>	3,508
Social security costs	<b>333</b>	392
Cost of defined contribution scheme	<b>404</b>	428
	<b>4,037</b>	<b>4,328</b>

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Site staff	-	9
Administrative staff	<b>95</b>	93
Directors	<b>6</b>	6
	<b>101</b>	<b>108</b>

**9. Directors' remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Directors' emoluments	<b>262</b>	146
Company contributions to defined contribution pension schemes	<b>37</b>	10
	<b>299</b>	<b>156</b>

During the year retirement benefits were accruing to 2 Directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £97 thousand (2020 - £97 thousand).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £14 thousand (2020 - £14 thousand).

Notes to the Financial Statements  
For the Year Ended 31 December 2021

10. Taxation

	2021 £000	2020 £000
<b>Corporation tax</b>		
Current tax on profits for the year	53	74
Adjustments in respect of previous periods	14	(9)
	<u>67</u>	<u>65</u>
<b>Total current tax</b>	<u>67</u>	<u>65</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	1	1
<b>Total deferred tax</b>	<u>1</u>	<u>1</u>
<b>Taxation on profit on ordinary activities</b>	<u>68</u>	<u>66</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	<u>319</u>	<u>144</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	61	27
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(11)	47
Capital allowances for year in excess of depreciation	6	-
Adjustments to tax charge in respect of prior periods	14	(9)
Other timing differences leading to an increase (decrease) in taxation	(2)	1
<b>Total tax charge for the year</b>	<u>68</u>	<u>66</u>

**10. Taxation (continued)****Factors that may affect future tax charges**

On 24 May 2021 an increase to the UK tax rate to 25% from 1 April 2023 was substantively enacted. This will have a consequential effect on the Company's future tax charge.

The deferred tax balances have been calculated at the balance sheet date using the rate of 25% (2020 - 19%).

**11. Intangible assets**

	<b>Computer software £000</b>
<b>Cost</b>	
At 1 January 2021	1,828
At 31 December 2021	<u>1,828</u>
<b>Amortisation</b>	
At 1 January 2021	597
Charge for the year on owned assets	439
At 31 December 2021	<u>1,036</u>
<b>Net book value</b>	
At 31 December 2021	<u><u>792</u></u>
At 31 December 2020	<u><u>1,231</u></u>

Intangible assets comprise two software assets relating to the Company's operational management and finance systems.

Notes to the Financial Statements  
For the Year Ended 31 December 2021

**12. Tangible fixed assets**

	Short-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
<b>Cost or valuation</b>					
At 1 January 2021	85	6,535	106	380	7,106
Additions	-	1,061	-	22	1,083
Transfers intra group	-	(3,997)	-	-	(3,997)
Disposals	(34)	(535)	(20)	(1)	(590)
At 31 December 2021	51	3,064	86	401	3,602
<b>Depreciation</b>					
At 1 January 2021	10	5,362	106	320	5,798
Charge for the year on owned assets	5	510	-	67	582
Transfers intra group	-	(4,018)	-	-	(4,018)
Disposals	-	(405)	(20)	(1)	(426)
At 31 December 2021	15	1,449	86	386	1,936
<b>Net book value</b>					
At 31 December 2021	36	1,615	-	15	1,666
At 31 December 2020	75	1,173	-	60	1,308

**13. Fixed asset investments**

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 January 2021	200
At 31 December 2021	200

**Notes to the Financial Statements  
For the Year Ended 31 December 2021**

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**13. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
R.G. Carter Engineering Limited	Intermediate holding company	Ordinary	100%
Central Garages Limited	Fleet management	Ordinary	100%
R.G. Carter Civil Engineering Limited	Civil engineering	Ordinary	100%
G.M. Piling Limited	Piling engineering	Ordinary	100%
Ground Technology Services Limited	Site investigation and ground analysis	Ordinary	100%

The registered office for the above subsidiaries is 9-11 Drayton High Road, Drayton, Norwich, Norfolk, NR8 6AH.

**14. Stocks**

	<b>2021 £000</b>	<b>2020 £000</b>
Raw materials and consumables	<b>284</b>	103
	<b>284</b>	103

**15. Debtors**

	<b>2021 £000</b>	<b>2020 £000</b>
Trade debtors	<b>47</b>	199
Amounts owed by group undertakings	<b>3,631</b>	14,062
Other debtors	<b>229</b>	575
Prepayments and accrued income	<b>568</b>	587
Deferred taxation	<b>-</b>	1
	<b>4,475</b>	15,424

Notes to the Financial Statements  
For the Year Ended 31 December 2021

16. Cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	4,369	37
Less: bank overdrafts	(1,993)	-
	<u>2,376</u>	<u>37</u>

17. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Bank overdrafts	1,993	-
Trade creditors	567	684
Amounts owed to group undertakings	7,884	15,957
Other taxation and social security	104	327
Other creditors	68	-
Accruals and deferred income	424	840
	<u>11,040</u>	<u>17,808</u>

18. Deferred taxation

	2021 £000	2020 £000
At beginning of year	1	2
Charged to profit or loss	(1)	(1)
<b>At end of year</b>	<u>-</u>	<u>1</u>

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Other timing differences	-	1
	<u>-</u>	<u>1</u>

**Notes to the Financial Statements  
For the Year Ended 31 December 2021**

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**18. Deferred taxation (continued)**

A deferred tax asset, relating to fixed asset timing differences of £143,000 (2020 - £114,000) has not been recognised as it is unlikely that, for the foreseeable future, it will be recovered against the reversal of deferred tax liabilities or other taxable profits.

**19. Share capital**

	2021 £000	2020 £000
<b>Authorised, allotted, called up and fully paid</b>		
100 (2020 - 100) Ordinary shares of £1.00 each	-	-

**20. Reserves**

**Profit and loss account**

This reserve records retained earnings and accumulated losses.

**21. Contingent liabilities**

The Group bank account is in the name of R.G. Carter Construction Group. As a result certain subsidiary undertakings have jointly and severally entered into a bank guarantee in respect of these overdraft facilities. As at 31 December 2021 the aggregate overdraft balances within the Group were £5,356,000 (2020 - £2,796,000) however due to the right of set off, there was no net overdrawn balance at the period end (2020 - £Nil).

**22. Pension commitments**

The Company operates a defined benefit scheme, the R.G. Carter Limited and Associated Companies Pension Fund, that has ceased future accrual. This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the Group. The Company is unable to identify its share of the underlying assets and liabilities of the scheme due to its multi-employer status and accordingly accounts for the scheme as if it were a defined contribution scheme.

An updated valuation of the scheme at 31 December 2019 indicated that the scheme was 82% funded. This valuation has measured scheme assets at fair value and scheme liabilities are measured on an actuarial basis using the projected unit method.

The Group also operates a defined contribution pension scheme for certain designated site and staff positions. The assets are held independently from those of the Group in individual members' funds. The Company's contributions charged for the year to 31 December 2021 were £404,000 (2020 - £428,000).



**Notes to the Financial Statements  
For the Year Ended 31 December 2021**

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**23. Commitments under operating leases**

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2021 £000</b>	<b>2020 £000</b>
Not later than 1 year	<b>109</b>	88
Later than 1 year and not later than 5 years	<b>32</b>	86
	<b>141</b>	174

**24. Related party transactions**

During the year the Company made sales to a company under the control of a close relative of Mr RG Carter, to the value of £3,000 (2020 - £Nil). There was no outstanding balance at the year end.

**25. Controlling party**

The parent undertaking of the Company is R.G. Carter Construction Limited and the ultimate parent undertaking is R.G. Carter Holdings Limited, both of which are incorporated in England and Wales. The registered office of both Companies is 9-11 Drayton High Road, Drayton, Norwich, Norfolk, NR8 6AH.

The ultimate controlling party is Mr RG Carter.