

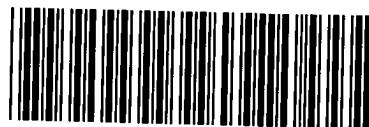
**Galliford Try Plant Limited**

Annual report and Financial statements

For the year ended 30 June 2019

Registered number: 05860430

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**Galliford Try Plant Limited**

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**Galliford Try Plant Limited**  
**Directors and advisers**

**Directors**

ND Cocker (appointed 30 June 2019)  
B Hocking

**Company secretary**

Galliford Try Secretariat Services Limited

**Registered office**

Cowley Business Park  
Cowley  
Uxbridge  
Middlesex  
England  
UB8 2AL

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
The Atrium  
1 Harefield Road  
Uxbridge  
Middlesex  
UB8 1EX

**Bankers**

Barclays Bank plc  
15 Colmore Row  
Birmingham  
B3 2WN

HSBC Bank plc  
70 Pall Mall  
London  
SW1Y 5EZ

## **Galliford Try Plant Limited**

### **Strategic report for the year ended 30 June 2019**

The directors present their strategic report of Galliford Try Plant Limited ("the Company"), for the year ended 30 June 2019.

#### **Review of business**

The Company's principal activity is the management of the Group's vehicle fleet. The current performance is considered to be satisfactory.

#### **Principal risks, uncertainties and key performance indicators**

From the perspective of the Company, the principal risks and uncertainties are integrated with that of Galliford Try plc and are not managed separately. These are discussed within the Group's 2019 annual report.

The directors of Galliford Try plc manage the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. The development, performance and position of Galliford Try plc, which includes the Company, is discussed in the Group's 2019 annual report, which does not form part of this report. The Galliford Try plc 2019 annual report is publicly available, refer to note 16 for further details.

#### **COVID-19**

Since the start of the 2020 calendar year (and specifically in the period since March 2020), there has been an outbreak of corona virus (COVID-19) and this has severely impacted many local economies around the world. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

The health and safety of our staff, subcontractors, suppliers, clients and the public is paramount, and in compliance with Government guidance we implemented a number of additional measures to protect and mitigate risk. In accordance with Government advice on construction works and the Standard Operating Procedures issued by the Construction Leadership Council, we risk assessed every one of our construction sites and modified or curtailed site activities to ensure that no work was undertaken if we were unable to fully comply with the hygiene and social distancing guidelines or if our people could not travel safely to work.

Accordingly, the company and the group overall has looked to take mitigating actions to manage costs in the business and to conserve cash and we will continue to review our resources to match business requirements. We have taken advantage of a number of the Government initiatives including furloughing staff under the Government Coronavirus Job Retention Scheme and deferring certain tax payments (primarily relating to employees PAYE and National Insurance contributions) where facilitated by HMRC.

#### **General**

The Company's profit for the financial year was £544K (2018: £720K), which will be added to reserves. Net assets at 30 June 2019 was £9,908K (30 June 2018: £9,364K).

On behalf of the board



**ND Cocker**  
Director  
26/06/2020

## **Galliford Try Plant Limited**

### **Directors' Report for the year ended 30 June 2019**

The directors present their report and audited financial statements of Galliford Try Plant Limited ("the Company"), registered number 05860430 for the year ended 30 June 2019.

#### **Future developments**

The directors do not expect any significant changes to the principal activities of the Company in the foreseeable future.

#### **Dividends**

The directors do not recommend the payment of a dividend (2018: £Nil).

#### **Political and charitable donations**

The Company is exempt from disclosing political and charitable donations as it is a wholly owned subsidiary incorporated in the United Kingdom.

#### **Financial risk management**

The Company's operations expose it to a variety of financial risks, including the effects of credit risk, liquidity risk, cash flow risk and interest rate risk. The policies to mitigate the potential impact of these financial risks are set by the directors, who monitor their effectiveness on a monthly basis during board meetings.

Where appropriate, credit checks are made prior to the acceptance of a new customer and these are reviewed on a periodic basis together with ongoing checks in respect of existing customers. Weekly reviews of the debtors ledger are carried out with the finance and sales teams and action initiated, as appropriate, to collect any overdue amounts, thus optimising the Company's liquidity position.

The rates of interest earned or paid on the Group's cash balances and loans and overdrafts are monitored on an ongoing basis with regular reviews of the Galliford Try group banking arrangements. Deposits, loans and overdrafts are made with reference to these facilities, in conjunction with projections of future cash requirements.

The Galliford Try group actively maintains an appropriate level of cash reserves that are available for operations and planned expansions of the Group as a whole. The group ensures that sufficient cash reserves are made available to its subsidiary undertakings.

Additional information on the group's financial risk management can be found in the 2019 consolidated group financial statements of Galliford Try plc copies of which are publicly available.

#### **Directors**

The present directors of the Company are set out on page 1, all of whom served throughout the year and up to the date of signing the financial statements, except as stated below:

M Cooper resigned and ND Cocker was appointed as directors of the company on 30 June 2019.

#### **Qualifying third-party and pension scheme indemnity provisions**

The Group maintains appropriate Directors' and Officers' Liability Insurance on behalf of the directors and General Counsel and Company Secretary. In addition, individual qualifying third-party indemnities are given to the directors and General Counsel and Company Secretary which comply with the provisions of Section 234 of the Companies Act 2006 and were in force throughout the year and up to the date of signing the Annual Report.

## **Galliford Try Plant Limited**

### **Directors' Report for the year ended 30 June 2019 (continued)**

#### **Going concern**

The financial statements have been prepared on a going concern basis, which assumes that for the foreseeable future the Company will be able to meet its liabilities as they fall due. The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Galliford Try Limited. The directors have received confirmation that Galliford Try Limited intends to support the Company for at least one year after these financial statements are signed.

As detailed above, there has been an outbreak of corona virus (COVID-19) in the UK, primarily in the period since March 2020.

In light of the pandemic, a revised cashflow forecast has been completed for the whole group to confirm the appropriateness of the going concern assumption in these subsidiary accounts. The forecast was prepared using three scenarios – a likely base case, a downside sensitivity scenario and a severe downside sensitivity scenario. In each of these scenarios, the forecasts indicated that there was sufficient headroom for the business to continue. Additionally, the Galliford Try group has repaid and cancelled all of its debt facilities during the year and is now in a net cash position with no external debt. Consequently, the Directors have concluded that using the going concern basis for the preparation of the financial statements is appropriate.

#### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

#### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## **Galliford Try Plant Limited**

### **Directors' Report for the year ended 30 June 2019 (continued)**

#### **Post balance sheet events**

On 3 January 2020, Galliford Try plc sold its housebuilding businesses, Linden Homes and Partnerships & Regeneration to Vistry Group plc (Formerly Bovis Homes Group plc). As a result of this transaction the ultimate parent undertaking and controlling party has become Galliford Try Holdings plc.

Additionally, there has been an outbreak of corona virus (COVID-19) since the beginning of 2020 and this has severely impacted many local economies around the world. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

The health and safety of our staff, subcontractors, suppliers, clients and the public is paramount, and in compliance with Government guidance we implemented a number of additional measures to protect and mitigate risk. In accordance with Government advice on construction works and the Standard Operating Procedures issued by the Construction Leadership Council, we risk assessed every one of our construction sites and modified or curtailed site activities to ensure that no work was undertaken if we were unable to fully comply with the hygiene and social distancing guidelines or if our people could not travel safely to work.

With most of the Group's clients and projects being in the public sector and by following the procedures noted above, it has resulted in the majority of sites remaining open, although these sites continued to operate under the strictest of parameters, as set out by the Construction Leadership Council, in conjunction with our own rigorous risk assessments. In addition, where specific client instructions were received, we carefully managed the temporary closure of sites to leave them in a safe state whilst they are closed. The group's supply chain has been similarly impacted and there have been some delays with certain supply chain partners.

Accordingly, the company and the group overall has looked to take mitigating actions to manage costs in the business and to conserve cash and we will continue to review our resources to match business requirements. We have taken advantage of a number of the Government initiatives including furloughing staff under the Government Coronavirus Job Retention Scheme and deferring certain tax payments (primarily relating to employees PAYE and National Insurance contributions) where facilitated by HMRC.

It should be noted that the duration and impact of the COVID-19 pandemic, as well as the effectiveness of Government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods. We maintain a continual review of the potential effects of the virus in the UK on our business.

The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 30 June 2019 have not been adjusted to reflect their impact.

No other matters have arisen since the year end that requires disclosure in the financial statements.

The directors' report was approved by the board of directors on 26/06/2020 and signed by its order by:



**Galliford Try Secretariat Services Limited**  
Company secretary  
26/06/2020

# ***Independent auditors' report to the members of Galliford Try Plant Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Galliford Try Plant Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and Financial statements (the "Annual Report"), which comprise: the balance sheet as at 30 June 2019; the income statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Independence***

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.



# ***Independent auditors' report to the members of Galliford Try Plant Limited (continued)***

## ***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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## **Responsibilities for the financial statements and the audit**

### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### ***Use of this report***

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## ***Independent auditors' report to the members of Galliford Try Plant Limited (continued)***

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### **Other required reporting**

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#### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Radek Vik (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge  
26 June 2020

**Galliford Try Plant Limited**  
**Income statement for the year ended 30 June 2019**

	<b>Note</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Revenue	2	21,070	21,665
Cost of sales		(18,965)	(19,583)
Gross profit		2,105	2,082
Administrative expenses		(1,494)	(1,454)
Operating profit		611	628
Interest receivable and similar income		82	425
Profit before taxation	4	693	1,053
Tax on profit	5	(149)	(333)
Profit for the financial year		544	720

There are no other comprehensive income or expense other than those shown in the income statement above and therefore no separate statement of comprehensive income has been presented.

The notes on pages 12 to 21 are an integral part of these financial statements.

All results are derived from continuing operations.

**Galliford Try Plant Limited**  
**Balance sheet as at 30 June 2019**

	Note	2019 £'000	2018 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	–	27
<b>Total non-current assets</b>		–	27
<b>Current assets</b>			
Trade and other receivables	7	7,088	6,411
Cash and cash equivalents	8	8,320	9,798
<b>Total current assets</b>		<b>15,408</b>	<b>16,209</b>
<b>Total assets</b>		<b>15,408</b>	<b>16,236</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	(5,349)	(6,651)
Corporation tax payable	10	(149)	(218)
<b>Total current liabilities</b>		<b>(5,498)</b>	<b>(6,869)</b>
<b>Net current assets</b>		<b>9,910</b>	<b>9,340</b>
<b>Non-current liabilities</b>			
Deferred taxation	11	(2)	(3)
<b>Total non-current liabilities</b>		<b>(2)</b>	<b>(3)</b>
<b>Total liabilities</b>		<b>(5,500)</b>	<b>(6,872)</b>
<b>Net assets</b>		<b>9,908</b>	<b>9,364</b>
<b>Equity</b>			
Share capital	12	–	–
Other reserves		233	233
Profit and loss account		9,675	9,131
<b>Total equity</b>		<b>9,908</b>	<b>9,364</b>

The notes on pages 12 to 21 are an integral part of these financial statements.

The financial statements on pages 9 to 21 were approved by the Board of directors on 26/06/2020 and signed on its behalf by:



ND Cocker  
**Director**  
Registered number: 05860430

**Galliford Try Plant Limited****Statement of changes in equity for the year ended 30 June 2019**

	<b>Share capital £'000</b>	<b>Other reserves £'000</b>	<b>Profit and loss account £'000</b>	<b>Total equity £'000</b>
As at 01 July 2017	–	233	8,411	8,644
Profit for the financial year	–	–	720	720
As at 30 June 2018 and as at 01 July 2018	–	233	9,131	9,364
Profit for the financial year	–	–	544	544
<b>As at 30 June 2019</b>	<b>–</b>	<b>233</b>	<b>9,675</b>	<b>9,908</b>

## **Galliford Try Plant Limited**

### **Notes to the financial statements for the year ended 30 June 2019**

#### **1. Accounting policies**

##### **General Information**

Galliford Try Plant Limited ('the Company') is a limited Company incorporated and domiciled in England and Wales (Registered number: 05860430). The address of the registered office is Galliford Try Plant Limited, Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL. Refer to note 16 for details of the immediate and ultimate parent undertaking. The principal activity of the Company is set out on page 2.

The financial statements are measured and presented in pounds sterling as that is the currency of the primary economic environment in which the Company operates. The amounts stated are denominated in thousands (£'000).

##### **Basis of accounting**

These financial statements have been prepared under the historic cost convention in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006 (the Act) as applicable to companies using FRS 101. The accounting policies have been applied consistently, other than where new policies have been adopted. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101. Note 16 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS as adopted by the EU may be obtained.

The disclosure exemptions adopted by the Company in accordance with FRS 101 are as follows:

- The requirements of IAS 7 to present cash flow statement.
- The requirements of paragraph 45(b) and 46 to 52 of IFRS 2, Share Based Payments
- The requirements of IFRS 7, Financial Instrument Disclosures
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement
- The requirements of paragraph 30 and 31 of IAS 8 Accounting Policies
- The requirements of paragraph 17 of IAS 24, Related Party Disclosures, and the requirements in IAS 24 to disclose related party transactions between two members of the Galliford Try group and key management personnel.
- The requirements of paragraph 134 (d) to 134 (f) of IAS 36 Impairment of Assets.
- Certain disclosure requirements under IFRS12 Disclosure of Interests in Other Entities.
- The requirements of Paragraph 38 of IAS1, Presentation of financial statements

New amendments to standards that became mandatory for the first time for the financial year beginning 1 July 2018 are listed below. The new amendments had no significant impact on the Company's results other than certain revised disclosures.

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from contracts with customers
- Amendments to IFRS 2 Share-based payments
- Amendments to IFRS 4 Insurance contracts
- Amendments to IAS 40 Investment property
- Annual improvements 2015-2017

## **Galliford Try Plant Limited**

### **Notes to the financial statements for the year ended 30 June 2019 (continued)**

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

##### **Basis of accounting (continued)**

The above new standards and amendments do not have a material effect on the Company except as described below:

- **IFRS 9 - 'Financial instruments'**

The Company has adopted IFRS 9 Financial Instruments using the modified retrospective method for the first time in the year ended 30 June 2019. There was no material impact on adoption of this new standard and adopting the expected credit loss model for impairment of financial assets.

- **IFRS 15 Revenue from contracts with customers**

The Company has adopted the standard from 01 July 2018 using the modified retrospective approach. The Company has reviewed its accounting policy and opening equity position as at 01 July 2018 and concluded that the application of this standard would have no implication on the Company's financial statements on adoption and at year ended 30 June 2019.

New standards, amendments and interpretations issued but not effective or yet to be endorsed by the EU are as follows:

- IFRS 16 Leases
- IFRS 17 Insurance Contracts
- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to the following standards:
  - IAS 28 Long-term interests in associates and joint ventures
  - IAS 1 & IAS 8 Definition of Material
  - IAS 19 Plan Amendment, Curtailment or Settlement
  - IFRS 3 Business Combinations
  - IFRS 9 Prepayment features with negative compensation
- Annual improvements 2015-2017

##### **Going concern**

The financial statements have been prepared on a going concern basis, which assumes that for the foreseeable future the Company will be able to meet its liabilities as they fall due. The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, Galliford Try Limited. The directors have received confirmation that Galliford Try Limited intends to support the Company for at least one year after these financial statements are signed.

As detailed in the Directors' Report, there has been an outbreak of corona virus (COVID-19) in the UK, primarily in the period since March 2020.

In light of the pandemic, a revised cashflow forecast has been completed for the whole group to confirm the appropriateness of the going concern assumption in these subsidiary accounts. The forecast was prepared using three scenarios – a likely base case, a downside sensitivity scenario and a severe downside sensitivity scenario. In each of these scenarios, the forecasts indicated that there was sufficient headroom for the business to continue. Additionally, the Galliford Try group has repaid and cancelled all of its debt facilities during the year and is now in a net cash position with no external debt. Consequently, the Directors have concluded that using the going concern basis for the preparation of the financial statements is appropriate.

## **Galliford Try Plant Limited**

### **Notes to the financial statements for the year ended 30 June 2019 (continued)**

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

##### **Critical accounting estimates and judgments**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities which are not readily apparent from other sources. 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 revision and future periods if the revision affects both current and future periods. Management do not consider there to be any critical estimates and judgements.

##### **Revenue and profit**

Revenue is recognised when the Company transfers control of goods or services to customers. Revenue comprises the fair value of the consideration received, or receivable net of rebates, discounts and value added tax. Where consideration is subject to variability, the Company estimates the amount receivable. Revenue recognised is constrained to the amount which is highly probable not to result in a significant reversal in future period. Revenue also includes the Company's proportion of work carried out under jointly controlled operations.

Where a modification to an existing contract occurs, the Company assesses the nature of the modification and whether it represents a separate performance obligation required to be satisfied or whether it is a modification to the existing performance obligation.

##### **Income tax**

Current income tax is based on the taxable profit for the year. Taxable profit differs from profit before taxation recorded in the income statement because it excludes items of income or expense that are taxable or deductible in other years or that are never taxable or deductible. The liability for current tax is calculated using rates that have been enacted, or substantively enacted, by the balance sheet date.

The Company surrenders tax losses and other allowances by group relief to other Galliford Try group companies. The party accepting such surrender pays the company an amount equal to the amount of tax such accepting party would have paid but for such surrender.

Deferred income tax is provided using the balance sheet liability method, providing for all temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax is accounted for on an undiscounted basis. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying temporary differences can be deducted.

Deferred income tax is charged or credited through the income statement, except when it relates to items charged or credited through the comprehensive income, when it is charged or credited there.



## **Galliford Try Plant Limited**

### **Notes to the financial statements for the year ended 30 June 2019 (continued)**

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

##### **Property, plant and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated to write off the cost of each asset to estimated residual value over its expected useful life. The annual rates of depreciation are as follows:

On cost or reducing balance:

Plant and machinery	12.5% to 33%
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In addition to systematic depreciation, the book value of property, plant and equipment would be written down to estimated recoverable amount should any impairment in the respective carrying values be identified. The asset residual values, carrying values and useful lives are reviewed on an annual basis and adjusted if appropriate at each balance sheet date.

Repairs and maintenance expenditure is expensed as incurred on an accruals basis.

##### **Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term.

##### **Trade and other receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less loss allowance. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected loss rates are based on historical payment profiles, adjusted to reflect the current and forward-looking information.

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

Cash and cash equivalents are carried in the balance sheet at nominal value. Bank overdrafts are also included as they are an integral part of the Company's cash management.

Bank deposits with an original term of more than three months are classified as short-term deposits where the cash can be withdrawn on demand and the penalty for early withdrawal is not significant.

##### **Trade payables**

Trade payables on normal terms are not interest bearing and are stated at their nominal value. Trade payables on extended terms, particularly in respect of land, are recorded at their fair value at the date of acquisition of the asset to which they relate and subsequently held at amortised cost. The discount to nominal value is amortised over the period of the credit term and charged to finance costs using the effective interest rate. Changes in estimates of the final payment due are taken to developments (land), in due course, to cost of sales in the income statement.

## Galliford Try Plant Limited

### Notes to the financial statements for the year ended 30 June 2019 (continued)

#### 2. Revenue

The Company's revenue is earned through the management of the group's vehicle fleet which is the only performance obligation. Revenue is recognised over the time of period when services are provided.

#### Transaction price allocated to the remaining performance obligations

The table below includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	2020 £'000	2021 £'000	2022 £'000	Total £'000
Fleet management revenue	12,762	7,529	3,688	23,979

As permitted under the transitional provisions in IFRS 15, the transaction price allocated to (partially) unsatisfied performance obligations as of 30 June 2018 is not disclosed.

Any element of variable consideration is estimated at a value that is highly probable not to result in future reversal.

#### 3. Employees and directors

Employee benefit expense for the Company for the year is:

	2019 £'000	2018 £'000
Wages and salaries	355	332
Social security costs	33	31
Other pension costs	27	20
	415	383

The average monthly number of people including executive directors employed is:

	2019 Number	2018 Number
By activity:		
Administration and support	11	11
Management	3	2
<b>Average number of employees during the year</b>	<b>14</b>	<b>13</b>

The disclosure above includes employees who are employed by Galliford Try Employment Limited, a fellow subsidiary company, who are seconded to Galliford Try Plant Limited and their costs are recharged to the Company accordingly.

#### Aggregate directors' emoluments

The emoluments of all directors are paid by other subsidiaries within the group. These directors are also directors of fellow subsidiaries of Galliford Try plc and it is not possible to make an accurate apportionment in respect of their emoluments to this subsidiary. Accordingly, the above details include no emoluments in respect of these directors. Their emoluments are disclosed where appropriate in the financial statements of the companies where significant costs are incurred.

# Galliford Try Plant Limited

## Notes to the financial statements for the year ended 30 June 2019 (continued)

### 4. Profit before taxation

The following items have been included in arriving at the profit before taxation:

	2019 £'000	2018 £'000
Employee benefits expense	415	383
Depreciation of property, plant and equipment		
- Owned assets	1	5
Other operating lease rentals payable		
- Plant and machinery	11,060	10,932
- Property	166	162
Repairs and maintenance expenditure on property, plant and equipment	4	2

### Services provided by the Company's auditors

During the year the Company obtained the following services from the Company's auditors at costs as detailed below:

The auditors' remuneration of £3K (2018: £3K) for the audit services is borne by Galliford Try Infrastructure Limited, a fellow subsidiary of Galliford Try plc.

### 5. Tax on profit

	2019 £'000	2018 £'000
Current tax for the year	(152)	(222)
Deferred tax credit/(expense)	1	3
Adjustments in respect of prior years:		
Current tax	2	4
Deferred tax	—	(118)
<b>Income tax expense</b>	<b>(149)</b>	<b>(333)</b>

The total income tax expense for the year of £149K (2018: £333K) is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	2019 £'000	2018 £'000
Profit before taxation	693	1,053
Profit before taxation multiplied by the standard rate in the UK of 19.00% (2018: 19.00%)	(132)	(200)
Expenses not deductible for tax purposes	(19)	(19)
Adjustments in respect of prior years	2	(114)
<b>Income tax expense</b>	<b>(149)</b>	<b>(333)</b>

The standard rate of corporation tax in the UK changed from 20.00% to 19.00% with effect from 1 April 2017. Accordingly, the Company's profits were taxed at a rate of 19.00% for the year to 30 June 2019 (2018: 19.00%).

# Galliford Try Plant Limited

## Notes to the financial statements for the year ended 30 June 2019 (continued)

### 6. Property, plant and equipment

	Plant and machinery £'000	Total £'000
<b>Cost</b>		
At 01 July 2018	69	69
Disposals	(69)	(69)
<b>At 30 June 2019</b>	<b>–</b>	<b>–</b>
<b>Accumulated depreciation</b>		
At 01 July 2018	42	42
Charge for the year	1	1
Disposals	(43)	(43)
<b>At 30 June 2019</b>	<b>–</b>	<b>–</b>
<b>Net book amount</b>		
<b>At 30 June 2019</b>	<b>–</b>	<b>–</b>
At 30 June 2018	27	27

There are no assets held under finance lease (2018: £Nil).

There has been no impairment of property, plant and equipment during the year (2018: £Nil).

### 7. Trade and other receivables

	2019 £'000	2018 £'000
Amounts falling due within one year:		
Trade receivables	520	196
Less: provision for impairment of receivables	(10)	(10)
Trade receivables - net	510	186
Amounts owed by Group undertakings	6,307	5,074
Prepayments	271	1,151
	<b>7,088</b>	<b>6,411</b>

Amounts owed by Group undertakings is a mixture of interest bearing and non-interest bearing balances, are unsecured and repayable on demand. There was no contract asset or accrued income at the end of current and prior year.

### 8. Cash and cash equivalents

	2019 £'000	2018 £'000
Cash and cash equivalents	<b>8,320</b>	<b>9,798</b>

The effective interest rate received on cash balances is 0.4% (2018: 0.3%).

**Galliford Try Plant Limited****Notes to the financial statements for the year ended 30 June 2019 (continued)****9. Trade and other payables**

	2019 £'000	2018 £'000
Trade payables	882	932
Amounts owed to Group undertakings	331	287
Other taxation and social security, payable	226	260
Accrued liabilities	3,910	5,172
	<b>5,349</b>	<b>6,651</b>

Amounts owed to fellow group undertakings are non-interest bearing, unsecured and repayable on demand. There was no contract liability or deferred income at the end of current and prior year.

**10. Corporation tax payable**

	2019 £'000	2018 £'000
Corporation tax payable	149	218

**11. Deferred taxation**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities. The net deferred tax position at 30 June 2019 was:

	2019 £'000	2018 £'000
Deferred tax liabilities	(2)	(3)

The movement for the year in the net deferred income tax account is as shown below:

	2019 £'000	2018 £'000
At 1 July	(3)	112
Income statement:		
Adjustment to prior year's deferred income tax	–	(118)
Deferred tax credit	1	3
<b>At 30 June</b>	<b>(2)</b>	<b>(3)</b>

Deferred income tax is calculated in full on temporary differences under the liability method using a tax rate of 19.00% (2018: 19.00%) and the rate being the UK corporation tax rate that was substantively enacted at the balance sheet date.

	2019 £000	2018 £000
Accelerated capital allowances	(2)	(3)
Deferred tax liabilities	(2)	(3)

There is no unrecognised deferred tax asset at the end of current and prior year.

## Galliford Try Plant Limited

### Notes to the financial statements for the year ended 30 June 2019 (continued)

#### 12. Share Capital

	Number of shares	Ordinary shares £'000
<u>Allotted and fully paid ordinary shares of £1</u>		
At 30 June 2018	1	–
<b>At 30 June 2019</b>	<b>1</b>	<b>–</b>

#### 13. Financial commitments

The Company has entered into non-cancellable contracts for the operational leasing of land and buildings and plant and machinery. The leases have various terms, escalation clauses and renewal rights. The maximum commitments for payments under these contracts are as follows:

	Vehicles, plant and equipment 2019 £'000	Vehicles, plant and equipment 2018 £'000
Amounts due:		
Within one year	7,618	9,351
Later than one year and less than five years	7,566	9,022
	<b>15,184</b>	<b>18,373</b>

Galliford Try plc, together with certain of its subsidiaries, has entered into arrangements with HSBC Bank plc, National Westminster Bank Plc, Santander UK plc and Barclays Bank plc to guarantee the borrowings of Group companies.

#### 14. Guarantees and contingent liabilities

The parent company Galliford Try plc and Group subsidiary companies have entered into financial guarantees and counter indemnities in respect of bank and performance bonds issued on behalf of the group undertakings, including joint arrangements and joint ventures, in the normal course of the business amounting to £239.2m (2018: £381.3m).

Disputes arise in the normal course of business, some of which lead to litigation or arbitration procedures. The directors make proper provision in the financial statements when they believe a liability exists. Whilst the outcome of disputes and arbitration is never certain, the directors believe that the resolution of all existing actions will not have a material adverse effect on the Company's financial position.

#### 15. Post balance sheet events

On 3 January 2020, Galliford Try plc sold its housebuilding businesses, Linden Homes and Partnerships & Regeneration to Vistry Group plc (Formerly Bovis Homes Group plc). As a result of this transaction the ultimate parent undertaking and controlling party has become Galliford Try Holdings plc.

Additionally, there has been an outbreak of corona virus (COVID-19) since the beginning of 2020 and this has severely impacted many local economies around the world. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

## **Galliford Try Plant Limited**

### **Notes to the financial statements for the year ended 30 June 2019 (continued)**

#### **15. Post balance sheet events (continued)**

The health and safety of our staff, subcontractors, suppliers, clients and the public is paramount, and in compliance with Government guidance we implemented a number of additional measures to protect and mitigate risk. In accordance with Government advice on construction works and the Standard Operating Procedures issued by the Construction Leadership Council, we risk assessed every one of our construction sites and modified or curtailed site activities to ensure that no work was undertaken if we were unable to fully comply with the hygiene and social distancing guidelines or if our people could not travel safely to work.

With most of the Group's clients and projects being in the public sector and by following the procedures noted above, it has resulted in the majority of sites remaining open, although these sites continued to operate under the strictest of parameters, as set out by the Construction Leadership Council, in conjunction with our own rigorous risk assessments. In addition, where specific client instructions were received, we carefully managed the temporary closure of sites to leave them in a safe state whilst they are closed. The group's supply chain has been similarly impacted and there have been some delays with certain supply chain partners.

Accordingly, the company and the group overall has looked to take mitigating actions to manage costs in the business and to conserve cash and we will continue to review our resources to match business requirements. We have taken advantage of a number of the Government initiatives including furloughing staff under the Government Coronavirus Job Retention Scheme and deferring certain tax payments (primarily relating to employees PAYE and National Insurance contributions) where facilitated by HMRC.

It should be noted that the duration and impact of the COVID-19 pandemic, as well as the effectiveness of Government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods. We maintain a continual review of the potential effects of the virus in the UK on our business.

The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 30 June 2019 have not been adjusted to reflect their impact.

No other matters have arisen since the year end that requires disclosure in the financial statements.

#### **16. Ultimate parent undertaking and controlling party**

The immediate parent undertaking is Galliford Try Construction & Investments Holdings Limited which is registered in England and Wales. The ultimate parent undertaking and controlling party is Galliford Try Holdings plc, which is registered in England and Wales. Until 3 January 2020, the ultimate parent undertaking and controlling party was Galliford Try Limited (formerly Galliford Try plc), which was registered in England and Wales. This was the only company into which the Company's results were consolidated. Copies of the consolidated group financial statements of Galliford Try Limited (formerly Galliford Try plc) are publicly available from Galliford Try plc, Cowley Business Park, Cowley, Uxbridge, Middlesex, UB8 2AL.