

Galliford Try Plant Limited

Annual report and Financial statements

For the year ended 30 June 2021

Registered number: 05860430



Galliford Try Plant Limited

Contents	Page
Directors and advisers	1
Strategic report	2
Directors' report	5
Independent auditors' report.....	8
Income statement	11
Balance sheet	12
Statement of changes in equity	13
Notes to the financial statements	14

Galliford Try Plant Limited
Directors and advisers

Directors

N Cocker
B Hocking

Company secretary

Galliford Try Secretariat Services Limited

Registered office

Blake House
3 Frayswater Place
Cowley
Uxbridge
Middlesex
UB8 2AD

Independent auditors

BDO LLP
Chartered Accountants and Statutory Auditors
55 Baker Street
London
W1U 7EU

Bankers

Barclays Bank plc
15 Colmore Row
Birmingham
B3 2BH

HSBC Bank plc
69 Pall Mall
London
SW1Y 5EY

Galliford Try Plant Limited

Strategic report for the year ended 30 June 2021

The directors present their strategic report of Galliford Try Plant Limited ("the Company"), for the year ended 30 June 2021.

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. Revenue, costs of sales and administrative costs have decreased compared to the prior year as a result of the restructured Group the Company provides services for, following the sale of the housebuilding division in January 2020.

Covid-19

The Company has continued to operate sites in a safe and appropriate manner and strictly in accordance with both Government and the Construction Leadership Council health and safety guidelines and regulations. The Company performed a review of its accounting policies in light of the outbreak of the pandemic. Some of the key points that continue to remain applicable from this review are highlighted below:

- For a limited duration, the Company utilised the Government's Job Retention Scheme until August 2020 and has since repaid all amounts that were claimed from the scheme during the 2020/21 financial year. The grant income received was offset against the costs incurred in line with our existing accounting policy in the Income Statement (in accordance with IAS 20).
- The Company has reviewed any potential impairment indicators of both financial and non-financial assets (in accordance with IAS 36 and IFRS 9 in particular), especially where operations have been curtailed or customers are in financial distress.

Section 172 Companies Act 2006

Section 172(1) of the Companies Act 2006 imposes a general duty on every company director to act, in good faith, in the way they consider would be most likely to promote the success of the Company for the benefit of its shareholders, while taking into account how the Company's activities and Board decisions will affect its stakeholders. This statement explains how the Board complies with its obligations under s172 and is consistent with that disclosed in the consolidated Galliford Try Holdings Plc's annual report for the year ended 30 June 2021.

The Company recognises the importance of its stakeholders' views and actively engage with them, proactively considering their interests in the decisions it makes.

Employees

We use the following mechanisms to outline our approach to employee priorities and gather feedback on our interactions:

- Wider communication tools such as emails, videos, webcasts, while also monitoring various metrics such as employee churn, sickness leave and wider health and safety KPI's.
- Independent support such as access to our Employee Assistance Programme and whistleblowing hotline.
- Encouraging and analysing independent employee feedback via employee surveys or external sites.

Clients

Satisfied clients are essential for a sustainable and profitable business. We use the following mechanisms to outline our approach to client priorities and gather feedback on our interactions:

- Direct engagement through face-to-face, video or telephone client meetings; contract negotiation and management; client satisfaction surveys; business development activities such as attendance at exhibitions.
- Project performance feedback.

Galliford Try Plant Limited

Strategic report for the year ended 30 June 2021 (continued)

Section 172 Companies Act 2006 (continued)

Supply chain

We recognise the importance of our stakeholders' views and actively engage with them, proactively considering their interests in the decisions we make and the sustainability objectives we have set ourselves.

Shareholders

We must act in the interests of our shareholders to maintain the capital needed to fund our activities.

Communities

We construct buildings and infrastructure in communities and must meet the needs of local groups so we are welcomed and can carry out our work.

- Direct engagement such as through our membership of the Considerate Constructors Scheme, local newsletters, town hall meetings and exhibitions, school and college visits, site tours, Open Doors and local community engagement plans.
- Indirect engagement such as an up-to-date website, press coverage and engaging in social media.

Standards of business conduct

The Board is acutely aware of the need to maintain high standards of business conduct. The Galliford Try Holdings plc Group (the 'Group') has a strong ethical culture, underpinned by our values, policies and our Code of Conduct, all of which are endorsed by the Board. The Code of Conduct sets out the ethical standards everyone in Galliford Try must adhere to and provides a framework to ensure we always behave in a way that reflects our values. The Group also has specific policies and procedures to prevent bribery and corruption, as described on page 34 of the Group's annual report for year ended 30 June 2021.

Environmental impact

Information on the Company's environmental impact forms part of the wider Galliford Try Holdings plc Group which can be found on pages 28, 29 and 30 of the Group's annual report for year ended 30 June 2021 which is publicly available.

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 Holdings plc and are not managed separately. These are discussed within the Group's annual report.

The directors monitor the Company's revenue, operating profit, working capital and cash as its key performance indicators. The development, performance and position of Galliford Try Holdings plc, which includes the Company, is discussed in the Group's annual report, which does not form part of this report. The Galliford Try Holdings plc annual report is publicly available.

Galliford Try Plant Limited

Strategic report for the year ended 30 June 2021 (continued)

Principal risks, uncertainties and key performance indicators (continued)

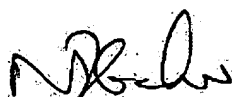
Further details on those considered to be the key principal risks are listed below:

Principal risk	Potential cause	Mitigation
Resources: We fail to secure the right people and other resources necessary to deliver our projects and manage our business	<ul style="list-style-type: none">- We are unable to attract, retain and/or develop the right staff to meet our future needs, we mismatch our staffing levels to peaks and troughs in activity or lack diversity.- Lack of capacity in the supply chain due to high levels of activity in the construction sector.- Lack of geographical coverage.- Subcontractor insolvency.- Failure to comply with fair payment practices.	<ul style="list-style-type: none">- We develop long-term relationships with key suppliers and subcontractors to ensure that we remain a priority customer when resources and materials are in short supply.- The Group's Advantage through Alignment programme facilitates greater engagement with our key supply chain members and provides them with greater visibility of our pipeline of projects.- We are committed to meeting the requirements of the Prompt Payment Code.- We monitor subcontractor financial strength using a credit tracker on the Dun and Bradstreet portal.- Each business unit reviews its cash forecast weekly and monthly, and the Group prepares a detailed daily cash book forecast for the following eight-week period to highlight any risk of intra-month fluctuations.
Regulatory compliance: We fail to comply with requirements of the various legal and regulatory regimes in which we operate, resulting in a high-profile breach and regulatory ensure	<ul style="list-style-type: none">- Failure to update our procedures to reflect changes to key legislation and regulations.- Failure to provide sufficient and effective training to all staff.- Failure to implement effective compliance monitoring processes.	<ul style="list-style-type: none">- Galliford Try has comprehensive policies and guidance at every level including our Code of Conduct, mandatory regulatory and cyber security e-learning for all employees, an anonymous and independent whistleblowing helpline, regular legal updates and briefings, six-monthly compliance declarations, and conflict of interest registers and authorisations.- The Ethics and Compliance Committee, chaired by the General Counsel & Company Secretary, provides ongoing monitoring and oversight of policy and compliance activity in relation to key areas of legislation.

General

The Company's loss for the financial year was £68k (2020: profit £598k), which will be deducted from reserves. Net assets as at 30 June 2021 were £10,438k (30 June 2020: £10,506k).

On behalf of the board



N Cocker
Director
3 December 2021

Galliford Try Plant Limited

Directors' Report for the year ended 30 June 2021

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 2021.

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 (2020: £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 Holdings 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 Holdings 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 consolidated group financial statements of Galliford Try Holdings 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.

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 236 of the Companies Act 2006 and were in force throughout the year and up to the date of signing the Annual Report.

Going concern

The directors have conducted a rigorous and proportionate assessment of the Company's ability to continue in existence for the foreseeable future. This has been reviewed during the financial year and the directors have concluded that there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Furthermore, the Company has adequate resources and visibility as to its future workload. It is therefore justified in using the going concern basis in preparing these financial statements.

Galliford Try Plant Limited

Directors' Report for the year ended 30 June 2021 (continued)

Employees

The Company is an equal opportunities employer.

It is the Company's policy to give full and fair consideration to applications for employment by disabled persons, to continue wherever possible the employment of those who became disabled and to provide equal opportunities for the training, retraining, career development and promotion of disabled persons.

The establishment and maintenance of safe working practices are of the greatest importance to the Company and special training in health and safety is provided for employees.

Within the bounds of commercial confidentiality, management disseminates information to, and consults with, all levels of staff about matters that affect the progress of the Company and are of interest and concern to them as employees. This has been achieved through road shows hosted at all the major business sites, webcasts of the annual results and through updates on the intranet. The Company also encourages employee involvement in the Company's performance by the operation of employee incentive schemes.

Further details are included within the section 172 statement within the Strategic Report.

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 these 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;
- 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;
- 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 2021 (continued)****Independent auditors**

The auditors, BDO LLP, have indicated their willingness to continue in office.

Post balance sheet events

On 7 October 2021, the Group acquired the water business of nmcn plc (including the share capital of Lintott Environmental Technologies Limited), to complement the existing water division. It is not expected there will be a significant impact to the Company as a result. 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 3 December 2021 and signed by its order by:



N Cocker
Director

Galliford Try Plant Limited

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Galliford Try Plant Limited ("the Company") for the year ended 30 June 2021 which comprise the Income statement, the Balance sheet, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to going concern

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

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

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

Other information

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

Galliford Try Plant Limited

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

Other Companies Act 2006 reporting

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.

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

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

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud. We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Galliford Try Plant Limited

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

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, the UK Listing Rules and tax legislation.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, review of board and committee meeting minutes, enquiries with management, enquiries of in-house legal counsel and we considered the adequacy of controls around procurement fraud.

There are inherent limitations in the audit procedures described above and, the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Directors within the significant judgements and estimates that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://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.

DocuSigned by:



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Charles Ellis (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditors
London, UK
3 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Galliford Try Plant Limited
Income statement for the year ended 30 June 2021

	Notes	2021 £'000	2020 £'000
Revenue	2	5,505	8,138
Cost of sales		(4,045)	(6,201)
Gross profit		1,460	1,937
Administrative expenses		(1,464)	(1,203)
Operating (loss)/profit		(4)	734
Interest receivable and similar income	4	632	397
Interest payable and similar charges	4	(634)	(339)
(Loss)/profit before taxation	5	(6)	792
Tax on (loss)/profit	6	(62)	(194)
(Loss)/profit for the financial year		(68)	598

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

The notes on pages 14 to 23 are an integral part of these financial statements.

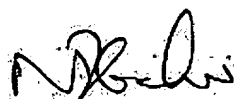
All results are derived from continuing operations.

Galliford Try Plant Limited
Balance sheet as at 30 June 2021

	Notes	2021 £'000	2020 £'000
Assets			
Non-current assets			
Right of use assets	7	30	32
Trade and other receivables	8	–	47
Finance lease receivables	9	5,498	4,728
Deferred income tax asset	13	37	5
Total non-current assets		5,565	4,812
Current assets			
Trade and other receivable	8	8,892	10,128
Finance lease receivables	9	3,919	4,187
Cash and cash equivalents	10	4,569	6,233
Total current assets		17,380	20,548
Total assets		22,945	25,360
Liabilities			
Current liabilities			
Trade and other payables	11	(2,763)	(5,705)
Lease liabilities	7	(3,935)	(4,199)
Corporation tax payable	12	(296)	(201)
Total current liabilities		(6,994)	(10,105)
Net current assets		10,386	10,443
Non-current liabilities			
Lease liabilities	7	(5,513)	(4,749)
		(5,513)	(4,749)
Total liabilities		(12,507)	(14,854)
Net assets		10,438	10,506
Equity			
Share capital	14	–	–
Other reserves		233	233
Profit and loss account		10,205	10,273
Total equity		10,438	10,506

The notes on pages 14 to 23 are an integral part of these financial statements.

The financial statements on pages 11 to 23 were approved by the Board of directors on 3 December 2021 and signed on its behalf by:



N Cocker
Director
Registered number: 05860430

Galliford Try Plant Limited**Statement of changes in equity for the year ended 30 June 2021**

	Share capital £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
As at 30 June 2019 as reported	–	233	9,675	9,908
Profit for the financial year	–	–	598	598
As at 30 June 2020 and as at 1 July 2020	–	233	10,273	10,506
Loss for the financial year	–	–	(68)	(68)
As at 30 June 2021	–	233	10,205	10,438

The notes on pages 14 to 23 are an integral part of these financial statements.

Galliford Try Plant Limited

Notes to the financial statements for the year ended 30 June 2021

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, Blake House, 3 Frayswater Place, Cowley, Uxbridge, Middlesex, UB8 2AD. Refer to note 17 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 apply the recognition, measurement and presentation requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, but make amendments where necessary in order to comply with the Act and take advantage of the FRS 101 disclosure exemptions.

These separate financial statements contain information about Galliford Try Plant Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of its ultimate parent, Galliford Try Holdings plc, a listed company incorporated and domiciled in England and Wales.

The Company is a qualifying entity for the purposes of FRS 101. Note 17 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 Holdings group.
- 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.
- Certain disclosure requirements of Paragraph 38 and 40 of IAS1, Presentation of financial statements

New amendments to standards that became mandatory for the first time for the financial year beginning 1 July 2020 are listed below. The new amendments had no significant impact on the Company's results other than certain revised disclosures.

- Amendments to IFRS 17 and IFRS 4, 'Insurance contracts', deferral of IFRS 9 (effective 1 January 2020)
- Amendments to IFRS 3 – Definition of a Business (effective 1 January 2020).
- Amendments to IAS 1 and IAS 8 on the Definition of Material (effective 1 January 2020).
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform (effective 1 January 2020).
- Amendment to IFRS 16 Leases Covid-19-Related Rent Concessions (effective 1 June 2020)

Galliford Try Plant Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

1. Accounting policies (continued)

Basis of accounting (continued)

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

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2 (effective 1 January 2021).
- Amendment to IFRS 16 – Covid-19-Related Rent Concessions beyond 30 June 2021 (effective 1 April 2021).
- Amendments to IAS 1, 'Presentation of financial statements' on classification of liabilities as current or non-current (effective 1 January 2022).
- Narrow scope amendments to IFRS 3, IAS 16, IAS 37 (effective 1 January 2022)
- Annual improvements to IFRS 1, IFRS 9, IAS 41 and IFRS 16 (effective 1 January 2022)
- Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8 (effective 1 January 2023)
- IFRS 17 'Insurance Contracts' (effective 1 January 2023)
- Amendment to IAS 12 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' (effective 1 January 2023)

The Company has yet to assess the full impact of these new standards and amendments. Initial indications are that they will not significantly impact the financial statements of the Company.

Covid-19

The Company has continued to operate sites in a safe and appropriate manner and strictly in accordance with both Government and the Construction Leadership Council health and safety guidelines and regulations. The Company performed a review of its accounting policies in light of the outbreak of the pandemic. Some of the key points that continue to remain applicable from this review are highlighted below:

- The Company utilised the Government's Job Retention Scheme in the previous year, with all income received in respect of July and August 2020 repaid. The grant income received was offset against the costs incurred in line with our existing accounting policy in the Income Statement (in accordance with IAS 20).
- The Company has reviewed any potential impairment indicators of both financial and non-financial assets (in accordance with IAS 36 and IFRS 9 in particular), especially where operations have been curtailed or customers are in financial distress. The Company benefits from a customer base predominantly within the public sector, which the Company considers provides greater financial security over the balances held within trade and other receivables.

Going concern

The directors have conducted a rigorous and proportionate assessment of the Company's ability to continue in existence for the foreseeable future. This has been reviewed during the financial year and the directors have concluded that there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Furthermore, the Company has adequate resources and visibility as to its future workload. It is therefore justified in using the going concern basis in preparing these financial statements.

Galliford Try Plant Limited

Notes to the financial statements for the year ended 30 June 2021 (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

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 companies within the Galliford Try Holdings plc Group. 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 with the exception of the initial recognition of goodwill arising on an acquisition.

Deferred tax is measured at the average 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. 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 2021 (continued)

1. Accounting policies (continued)

Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term at a constant periodic rate of interest on the remaining balance of the liability. The right-of-use asset is depreciated over the lease term on a straight-line basis, unless the useful life of the asset is shorter than 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 provision for impairment. A provision for impairment of trade receivables is established based on an expected credit loss model (general or simplified approach as detailed under impairment of financial assets). The amount of the loss is recognised in the income statement.

When a trade receivable is uncollectible, it is written off against the impairment provision for trade receivables. Subsequent recoveries of amounts previously written off are credited against cost of sales in the income statement. Short-term trade receivables do not carry any interest and are stated at their amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts.

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 2021 (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

Revenue on existing contracts, where performance obligations are unsatisfied or partially unsatisfied at the balance sheet date, is expected to be recognised as follows:

	2022	2023	2024 onwards	Total
Revenue - year ended 30 June 2021	£'000	£'000	£'000	£'000
Fleet management	6,431	4,329	2,724	13,484

	2021	2022	2023 onwards	Total
Revenue - year ended 30 June 2020	£'000	£'000	£'000	£'000
Fleet management	6,486	4,021	2,258	12,765

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:

	2021 £'000	2020 £'000
Wages and salaries	311	345
Redundancy and termination costs	2	—
Social security costs	29	31
Other pension costs	33	35
	375	411

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

	2021 Number	2020 Number
By activity:		
Administration and support	10	11
Management	1	3
Average number of employees during the year	11	14

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 Holdings 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 2021 (continued)

4. Interest payable and similar charges / interest receivable and similar income

	2021 £'000	2020 £'000
Interest receivable and similar income		
-on gross cash balances (note 10)	—	59
-on leased assets	632	338
Total interest receivable and similar income	632	397
Interest payable and similar charges		
-on leased assets	(634)	(339)
Total interest payable and similar charges	(634)	(339)
Net finance income	(2)	58

5. (Loss)/profit on ordinary activities before taxation

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

	2021 £'000	2020 £'000
Employee benefits expense	375	411
Depreciation on		
- leased assets	13	5

Services provided by the Company's auditors

The auditors' remuneration is borne by Galliford Try Services Limited, a subsidiary of Galliford Try Holdings plc. No other services were provided.

6. Tax on (loss)/profit on ordinary activities

	2021 £'000	2020 £'000
Current tax for the year	(80)	(182)
Deferred tax credit	33	1
Adjustments in respect of prior years:		
Current tax	(14)	(19)
Deferred tax	(1)	6
Income tax expense	(62)	(194)

The total income tax expense for the year of £62k (2020: £194k) is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19.0% (2020: 19.0%). The differences are explained below:

	2021 £'000	2020 £'000
(Loss)/profit on ordinary activities before taxation	(6)	792
(Loss)/profit before income tax multiplied by the blended standard rate in the UK of 19.0% (2020: 19.0%)	1	(150)
Expenses not deductible for tax purposes	(48)	(31)
Adjustments in respect of prior years	(15)	(13)
Income tax expense	(62)	(194)

Galliford Try Plant Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

6. Tax on (loss)/profit on ordinary activities (continued)

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase from 19% to 25%. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

7. Leases

This note provides information for leases where the Company is a lessee.

Right of use assets

	Total £'000
Cost	
At 1 July 2020	37
Additions	11
Disposals	–
At 30 June 2021	48
Accumulated depreciation	
At 1 July 2020	5
Charge for the year	13
Disposals	–
At 30 June 2021	18
Net book amount	
At 30 June 2021	30
At 30 June 2020	32

Lease liabilities

	2021 £'000	2020 £'000
Current	3,935	4,199
Non-current	5,513	4,749
Total lease liabilities	9,448	8,948

The statement of profit or loss shows the following amounts relating to leases:

	2021 £'000	2020 £'000
Depreciation of right-of-use assets	13	5
Interest expense (included in finance cost)	634	339
Total expenses	647	344

Maturity of contractual undiscounted future lease payments:

	As at 30 June 2021 £'000	As at 30 June 2020 £'000
Less than 1 year	4,267	4,181
1-2 years	3,146	2,792
2-3 years	2,038	1,648
3-4 years	692	719
4-5 years	–	1
Total	10,143	9,341

Galliford Try Plant Limited**Notes to the financial statements for the year ended 30 June 2021 (continued)****8. Trade and other receivables**

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Trade receivables	607	1,026
Less: provision for impairment of receivables	(18)	(18)
Trade receivables - net	589	1,008
Amounts owed by Group undertakings	8,166	8,613
Prepayments	137	507
	8,892	10,128

Amounts owed by Group undertakings do not bear interest, have no fixed date of repayment and are repayable on demand.

	2021 £'000	2020 £'000
Amounts falling due in more than one year:		
Trade receivables	–	47
	–	47

9. Finance lease receivables

	2021 £'000	2020 £'000
Current	3,919	4,187
Non-current	5,498	4,728
	9,417	8,915

The maturity analysis of lease receivables, including the undiscounted lease payments to be received are as follows:

	2021 £'000	2020 £'000
Less than 1 year	4,251	4,169
1-2 years	3,131	2,771
2-3 years	2,038	1,648
3-4 years	692	719
4-5 years	–	1
Total undiscounted lease payments receivable	10,112	9,308
Unearned finance income	(634)	(393)
Net investment in the lease	9,417	8,915

Galliford Try Plant Limited**Notes to the financial statements for the year ended 30 June 2021 (continued)****10. Cash and cash equivalents**

	2021 £'000	2020 £'000
Cash and cash equivalents	4,569	6,233

In 2016, the IFRS Interpretations Committee released an update in respect of IAS 32 'Financial instruments: presentation' specifically in relation to offsetting and cash pooling. This clarified that in order to offset bank account balances, an entity must have both a legally enforceable right and an intention to do so. The Company's bank arrangements and facilities with both HSBC Bank plc and Barclays Bank plc provide the legally enforceable right to offset and in the current year, the Company demonstrated its intention to offset by formally sweeping the balances. Consequently, the balances have been offset in the financial statements.

Treasury is managed by Galliford Try Services Limited, a fellow subsidiary of Galliford Try Holdings plc, on behalf of the Group and all subsidiary entities. In the prior year those entities earned interest at a rate of 1.5% on gross bank deposits and were charged 6.5% on gross bank overdrafts.

11. Trade and other payables

	2021 £'000	2020 £'000
Trade payables	541	556
Amounts owed to Group undertakings	—	1,977
Other taxation and social security, payable	472	600
Accrued liabilities and deferred income	1,750	2,572
	2,763	5,705

Amounts owed to fellow group undertakings are non-interest bearing, unsecured and repayable on demand.

12. Corporation tax payable

	2021 £'000	2020 £'000
Corporation tax payable	296	201

13. Deferred taxation

Deferred income tax is calculated in full on temporary differences under the liability method using a tax rate of 19.0% or 25% depending on when individual deferred income tax assets and liabilities are expected to reverse (2020: 19.0%).

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 2021 was:

	2021 £'000	2020 £'000
Deferred tax assets	37	5

Galliford Try Plant Limited

Notes to the financial statements for the year ended 30 June 2021 (continued)

13. Deferred taxation (continued)

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

	2021 £'000	2020 £'000
At 1 July 2020	5	(2)
Income statement:		
Deferred tax credit	32	7
At 30 June 2021	37	5

Deferred income tax assets have been recognised in respect of all the losses and other temporary differences because it is probable that these will be recovered.

14. Ordinary shares

	Number of shares	Ordinary shares £'000
Allotted and fully paid ordinary shares of £1		
At 01 July 2020	1	–
At 30 June 2021	1	–

15. 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 £146,800k (2020: £157,400k).

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.

16. Post balance sheet events

On 7 October 2021, the Group acquired the water business of nmcn plc (including the share capital of Lintott Environmental Technologies Limited), to complement the existing water division. It is not expected there will be a significant impact to the Company as a result. No other matters have arisen since the year end that requires disclosure in the financial statements.

17. 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. This is the only company into which the Company's results are consolidated. Copies of the consolidated Group financial statements of Galliford Try Holdings plc are publicly available from Galliford Try Holdings plc, Blake House, 3 Frayswater Place, Cowley, Uxbridge, Middlesex, UB8 2AD.