

Company Registration No. 02846010 (England and Wales)

KILNBRIDGE GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

KILNBRIDGE GROUP LIMITED

COMPANY INFORMATION

Directors	D McDermott M McDermott J Tolan F.C.A. T Larkin F.C.C.A
Secretary	J Tolan F.C.A.
Company number	02846010
Registered office	McDermott House South Crescent Cody Road Business Park London E16 4TL
Auditor	Arram Berlyn Gardner LLP 30 City Road London EC1Y 2AB
Bankers	Santander UK PLC Santander House 100 Ludgate Hill London EC4M 7RE

KILNBRIDGE GROUP LIMITED

CONTENTS

	Page
Strategic report	1 - 8
Directors' report	9 - 14
Independent auditor's report	15 - 18
Group statement of comprehensive income	19
Group statement of financial position	20
Company statement of financial position	21
Group statement of changes in equity	22
Company statement of changes in equity	23
Group statement of cash flows	24
Company statement of cash flows	25
Notes to the financial statements	26 - 46

KILNBRIDGE GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The Directors present the Strategic Report for the year ended 30 June 2021.

Principal activity

The company acts as a parent company for its wholly owned subsidiary company.

The trading subsidiary Kilnbridge Construction Services Limited, is a multiple award-winning **construction and engineering business** with advanced capabilities. Operating as a turnkey specialist structures contractor; we undertake enabling works, complex structural alterations, civil engineering and infrastructure works, reinforced concrete structures, basements, sub and superstructure frame construction and structural steelwork along with specialist businesses in concrete cutting & controlled demolition, fire protection and waste management.

These are supported by our internal Engineering and BIM services department, which assist projects with design, buildability, methodology, project management and multi-disciplinary expertise, and K-PLANT, which manages a comprehensive range of professionally maintained plant, equipment and capabilities.

Capital expenditure is required each year in order to reduce operating costs and enable the Group's operating companies to increase turnover and profits. Expenditure includes investing in information technology systems, plant, equipment and vehicles in order to ensure that its subsidiaries can work more efficiently.

Our sectors:

Major Infrastructure and Rail Projects:

Kilnbridge has been involved in the delivery of many construction and civil engineering packages on major infrastructure and development schemes. These include the London Crossrail Programme, Thameslink Rail Upgrade Programme, Hinkley Point C Nuclear Power Station and most recently the High-Speed 2 Programme (HS2).

Having worked in the rail sector nationally for many years, the continued investment in infrastructure expansion and improvements remains important to our growth and sustainability. We continually invest in performance improvement to meet the demands of this safety critical and highly regulated environment.

We have successfully delivered a wide range of projects and construction services for Network Rail, Crossrail and TFL on the London Underground and Overground stations and infrastructure network.

The key to our success continues to be the ability to develop solutions to deliver complex and challenging projects safely.

Major Projects, Commercial and Mixed-Use Schemes

Our knowledge and expertise in these sectors have created long-standing relationships with many of the UK's leading commercial and residential property developers and their delivery partners who value Kilnbridge as a trusted contractor.

Over the past 30 years, we have successfully delivered our services on the largest and most prestigious developments across London and the South-east. These include the major Wood Wharf Development scheme for the Canary Wharf Group and the Stratford Waterfront Development for the London Legacy Development Corporation.

Aviation

Kilnbridge has a diverse portfolio of projects successfully delivered on many of the UK's major airports, most notably Heathrow, Gatwick and London City. We understand the unique issues that our clients and all stakeholders face in these highly regulated environments. We therefore work closely at all stages of the project to deliver it safely and to the highest standards with minimal disruption and environmental impact. We are registered on the Heathrow ID Scheme for airside working.

KILNBRIDGE GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Energy

Our diverse and innovative approach has complemented the needs of this highly challenging and regulated sector. Kilnbridge completed projects in the past at Sizewell B Nuclear Power Plant and most recently the construction of the Heads structures for the new Hinkley Point C Nuclear Power Station. A vital element of the power station's cooling system, these are six very technically challenging and densely reinforced nuclear grate concrete structures with extremely condensed and complicated reinforcement layouts.

Trading and operating review

We are pleased to report a year of good progress for the Group, despite the challenges faced throughout this year, as a result of the Covid-19 pandemic. Our performance was underpinned by a strong order book and a portfolio of high-quality and nationally important infrastructure projects.

The Group had another successful year achieving a pre-tax profit of £5.3m (2020: £5.8m) on turnover of £73.7m (2020: £90.9m), in line with management expectations. Due to the impact of Covid-19 on the retail and aviation sectors where some major projects e.g., London City Airport, were either postponed or delayed; subsequently, turnover during the year was reduced. Pre-tax profit margin of 7.2% (2020: 6.3%) improved in part as a result of a higher proportion of larger and complex national infrastructure projects, but also because of end-of-contract payment collections.

Most notable amongst our projects, for their complexity and technical quality, was the completion of the Heads structures at Hinkley Point C Nuclear Power Station, the BBC and Sadlers Wells Buildings (Stratford Waterfront Development) and Southern Sections of the HS2 Programme. These projects demonstrate our ability to resolve design challenges to our clients, positioning Kilnbridge as a partner of choice for future infrastructure projects.

Other significant contracts included:

- The Colne Valley Viaduct - Construction of abutments, piers, buttresses and jetty precast concrete planks on the largest and most striking of the HS2 bridges.
- K1 / K2 The Floating Pavilions, Wood Wharf, Canary Wharf – construction of a pair of floating concrete structures connected by a series of bridges and pontoons.
- Gatwick Station Redevelopment – a technically difficult structural alteration and demolition project to create a new 12-car platform on the east side of the existing station, and major structural alterations and new bomb blast steel structure to the concourse building above to allow for the installation of new elevators and lift shafts
- Courtauld Institute of Art, Somerset House. Working within a nationally recognised heritage building this project involved delicate detailed work to provide the structural alterations required, whilst keeping the facility open.

Measuring our performance

The Directors use the following financial KPIs as a measure of the Group's performance against its defined strategic priorities.

	Year to 30/06/2021	Year to 30/06/2020
Turnover	£73.7m	£90.9m
PBT	£5.3m	£5.8m
EBITDA	£8.0m	£9.5m
Cash at Bank	£17.6m	£18.5m

KILNBRIDGE GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Mitigating our risks

The Board has overall responsibility for identifying, managing and mitigating the Group's risks. The Board assesses the Group's exposure to its principal risks on a continuous basis, with day-to-day risk managed under delegated authorities by the operational leaders of the specialist businesses.

The Group has robust risk controls and policies that are integrated at all levels of the business.

The principal risks that the Board believe are the most likely to affect the business operations, impact strategy, financial performance, and influence the Group's reputation are set out below.

Risk	Mitigating controls
Significant health, safety or environmental incident Due to the nature of our work, there is the potential to cause significant harm to our employees, our business partners or members of the public, or to damage the environment. We are committed to safeguarding our people and protecting the environment wherever we operate.	<ul style="list-style-type: none">• Operating an integrated Health, Safety, Quality and Environment Management system, which is accredited to ISO 45001, ISO 9001 and ISO 14001 by an independent UKAS accredited third party.• Providing our own bespoke health and safety behavioural programme, Safety in Action; which has been delivered to all personnel, at all levels, within the business since 2015.• Requiring staff to report and log incidents immediately through a cloud-based safety reporting and observation App.• Discussing any incidents reported at weekly senior management meetings to identify any failings and instigating follow up actions.• Providing regular training to all staff to identify potential health and safety risks and ensure that Group policies and procedures are well understood.
Irrecoverable cost over-runs on individual contracts. Delivering on our contractual obligations on time and on budget, and meeting and reporting against agreed service levels has a strong impact on our financial performance, reputation, and on our ability to win business.	<ul style="list-style-type: none">• Applying pre-contractual procedures, to ensure that bids and tenders are priced appropriately.• Employing good management and management procedures.• Maintaining strong lines of communication with clients throughout the duration of a project.• Pursuing rigorously contractual entitlements.

KILNBRIDGE GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Risk	Mitigating controls
<p>Losing clients to cheaper competition.</p> <p>Our industry faces strong competition, particularly for general construction works and non-specialist skills, which can lead to price-pressure from competitors.</p>	<ul style="list-style-type: none"> • Continuous monitoring and reviewing of the performance of our clients and competitors to ensure the quality and value of service that we provide remains competitive. • Continuous improvement and refinement of the bid and tender process. • Targeting business that requires specialist skills and infrastructure projects, which have higher barriers to entry and face less competition. • Driving improvement of our people and processes with our "Right First Time" culture to ensure our position and reputation as a leading engineering business.
<p>Reputational management</p> <p>Maintaining our reputation is vital to the success of our business. A loss in confidence from clients and our sector would affect our ability to win business. This can, in turn, adversely affect our financial performance and growth prospects.</p>	<ul style="list-style-type: none"> • Applying standard procedures and strong management to avoid reputational damage arising from failure to maintain the high quality of service for which the group is recognised. • Fostering a positive working relationship underpinned by respect, trust and loyalty with our employees, clients and suppliers.
<p>Financial controls</p> <p>Failure to impose strong financial controls may result in a heightened risk of error in reporting, inaccurate financial forecasting, bad debts, a lack of liquidity, exposure to uninsured losses, and exposure to liabilities arising from inter-group guarantees.</p>	<ul style="list-style-type: none"> • A central treasury function operates with extensive control over working capital and cash management. • Conducting monthly cost value reconciliations on all projects to monitor and measure expenditures against budgets. • Maintaining relationships with banks, together with the continuing support of its holding company, ensures the Group has adequate liquidity and cash flow for foreseeable needs. • Using the advice of insurance brokers, the Group believes it has adequate insurance in respect of foreseeable and insurable risks. • Careful management and monitoring of operations, with support from its banks, aims to minimise the risk of exposure to liabilities arising from inter-group guarantees.

KILNBRIDGE GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Transferring to Employee Ownership

After a considered process, Kilnbridge transitioned to being an employee-owned business on 2 March 2021. All shares are held collectively on behalf of the Kilnbridge team, in an Employee-Owned Trust (EOT). The EOT is represented by the Employee Representative Group.

The new structure is designed to keep Kilnbridge's exceptional team at its centre, maintain the Company's truly inclusive corporate culture and enable succession planning.

Central to this, is improving the communication and collaboration of departments, with representative heads of each department meeting monthly to discuss strategies in an open forum and to improve decision making.

While the business strategy has always incorporated social and environmental considerations, more than ever, sustainable options are being included in bids, to support our own and our clients' sustainability efforts and commitment towards net-zero carbon emissions. The shift also marks a change in the way clients are evaluating bid submissions and awarding contracts. We have allocated resources to support this, including a refresh of the sustainability strategy, developing systems for key data collection, setting targets, and allocating more resources; the process is ongoing.

Marketing and business development

The marketing department has been focused on brand positioning and developing marketing and sales collateral, including supporting the business in undergoing a brand-refresh. We have introduced a new CRM tool to ensure a more disciplined approach for communication, knowledge sharing, engagement tracking and sales reporting.

KILNBRIDGE GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Section 172 Statement

Engaging with our stakeholders

The Board seeks to understand the expectations and interests of the Group's stakeholders, and to reflect these in the choices it makes in its efforts towards the long-term success of the business.

Engagement with our stakeholders, including employees, clients, contractors, suppliers, and banks forms a central part in our decision-making process. The Board tailors its engagement approach to each stakeholder group in order to foster effective, sustainable and mutually beneficial relationships.

The Board's understanding of its stakeholder interests is taken into consideration within boardroom discussions in relation to strategy and planning. The Board considers how stakeholder expectations may be addressed and how the Board's decisions may impact stakeholder interests. Stakeholder expectations are determined through information gathered and provided by management and by direct engagement. The priority of each stakeholder group may increase or decrease, depending on the impact a decision may have on a particular stakeholder group.

This section of the report serves as our Section 172 Statement and should be read in conjunction with the Strategic Report. Section 172 of the Companies Act 2006 requires the Directors to act in a way that they consider, in good faith, would most likely promote the success of the Group for the benefit of its members as a whole, taking into account the factors listed in Section 172.

The table below set out the key stakeholder groups, their interests and how Kilnbridge has engaged with them over the reporting period.

Employees

Our employees are our primary asset, and the Board recognises that our employees are the key resource which enables delivery of the Group's vision and goals.

Their interests	How we engage
<ul style="list-style-type: none">• Training, development and career prospects• Health and safety• Working conditions• Fair pay and employee benefits• Diversity and inclusion• Human rights and modern slavery	<ul style="list-style-type: none">• Employee benefits packages• Ongoing training and development• Formulation of career paths• Freely available Group policies and procedures• Staff engagement surveys• Personal development reviews and work appraisals

Clients

The Board recognises that a strong reputation based around responsibility, integrity, teamwork and excellence is a vital part of the Group's growth.

Their interests	How we engage
<ul style="list-style-type: none">• Health and safety• Delivery of projects on time and within budget• Working with organisations whose goals and values are aligned to their own• Close working relationships based on trust and quality of delivery	<ul style="list-style-type: none">• Day-to-day working relationships and project management• Progress reports• Client meetings• Marketing and communications• Group website

KILNBRIDGE GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Suppliers and contractors

Our contractors provide additional resources and specialist skills when required to complete projects.

Their interests <ul style="list-style-type: none">• Terms and conditions of contracts• Health and safety• Working conditions• Credit ratings• Prompt payment to agreed terms	How we engage <ul style="list-style-type: none">• Seeking comparable business behaviours to our own by applying the same values, ethics and policies relevant to our own staff• Ensuring prompt payment of invoices• Regular day-to-day communication by our management team
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Banks and debt providers

The Group has access to lines of credit in order to satisfy working capital requirements with banks and HP providers.

Their interests <ul style="list-style-type: none">• Review of financial performance, balance sheet, net asset base, gearing and interest cover• High standards of corporate governance• Ethical behaviour• Awareness of strategy and potential risks	How we engage <ul style="list-style-type: none">• Regular meetings• Submission of management information and reporting.• Presentations• Communication through briefings with management• Annual report• Group website
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Community and environment

The Group is committed to its social responsibility by actively embracing the communities in which it operates as well as the ongoing protection and enhancement of the environment.

Their interests <ul style="list-style-type: none">• Sustainable and responsible business• Regulatory compliance• Health and safety• Protection and enhancement of the environment• Commitment towards net-zero carbon• Positive impact on society, resulting in mutually beneficial relationships	How we engage <ul style="list-style-type: none">• Working with clients, staff, or with locally supported bodies to provide charitable support and assistance to local communities.• Providing STEM ambassadors to schools and colleges.• ISO 14001 Environmental Management System accreditation.• Gold membership of the Supply Chain Sustainability School• Independently audited systems for waste management.• Independently assessed energy and carbon management systems.
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KILNBRIDGE GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Future prospects

In September 2021, the UK Government set out nearly £650 billion of projected public and private investment in UK infrastructure over the next ten years, with over £200 billion of this pipeline expected to be delivered by 2025. The vast majority of this planned spend is in transport, energy, utilities and social infrastructure – all sectors in which Kilnbridge has a strong track record. We are known for delivering complex projects successfully and therefore we believe we are well positioned to take part in a number of anticipated prestigious and large-scale projects over the coming years.

We are currently targeting a number of opportunities and have been making internal changes, as described above, to support the increase of complex bids we are submitting and delivery of those we win.

We are targeting opportunities in commercial to residential conversions and anticipate more activity in this area as developers take advantage of permitted development legislation which came into force in 2021; designed to tackle the surplus of commercial property and shortage of residential dwellings.

We are maintaining strong cost control measures, not least to counter rising inflation which is leading the increased costs in raw materials. To manage this, we are consolidating our supplier list and procurement department, ensuring that we secure the best prices for the materials we buy through careful planning and strong supplier relationships.

We started the current financial year with an order book of over £40m, which we have continued to build upon. This gives us considerable visibility and assurance of our future prospects.

The Group continues to focus on its core business activities and is well positioned to participate in major projects scheduled to take place in the U.K. over the coming years.

On behalf of the board

D McDermott

Director

29 March 2022

KILNBRIDGE GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present their annual report and financial statements for the year ended 30 June 2021.

Results and dividends

The results for the year are set out on page 19.

Ordinary dividends were paid amounting to £13,347,229 (2020: £2,000,000). The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D McDermott
M McDermott
J Tolan F.C.A.
T Larkin F.C.C.A

Growing our business responsibly

Operating in a responsible manner is integral to our vision to create an enduring legacy, which defines us a sustainable business providing the best service to our clients.

Sustainability sits at the forefront of the business agenda and our strategy is aligned to addressing the key risks and expectations of the business, our workforce, and its stakeholders, with the aim of delivering and achieving sustainable growth, economically, environmentally, and socially.

We recognise that our people are our most valuable asset and, therefore, the protection of their health, safety and wellbeing extends beyond our moral and legal requirements, ensuring that they are fit for work. In addition, we acknowledge that by tackling climate change and reducing emissions, we will help to safeguard the health and wellbeing of our people and the environment both now and for future generations.

We are very proud to have won several prestigious industry awards, which acknowledge our achievements in delivering an excellent service to our clients and rewards the hard work of our dedicated and professional employees.

Our main focus remains linked to our vision and values and we are dedicated in embedding these into every aspect of our day-to-day operations and culture.

KILNBRIDGE GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Health, safety and wellbeing

Since its inception in 2015, our "Safety in Action" strategy and behavioural programme has contributed to an improving and maturing culture for health, safety, and wellbeing. This is underpinned by our values and by working to a set of golden rules, to help create an environment where everyone understands the behaviours expected, the health and safety requirements for their task and where everyone believes accidents, incidents and ill health are preventable.

Leading indicators for our cultural development focused on improvements in leadership, through engagement tours and hosting of quarterly HSEQ company stand-downs, delivery of designated campaigns linked to key risks such as dust, vibration and work at height; together with the development of supervisor assessment standards and the management of lifting operations.

Our Accident Frequency Rate improved year on year from 0.11 in 2020 to 0.00 in 2021. This is the first RIDDOR reportable free financial year, which is a great achievement. During the year we launched our new observation and reporting system software, which encourages and enables the instant reporting of all and any incidents.

ISO 45001 certification

The business successfully undertook the migration from BS OHSAS 18001 to the new ISO 45001 standard. There were no non-conformances identified during the two visits by our UKAS accredited third party auditors during the reporting period.

Occupational health

Despite the Constructing Better Health Scheme being discontinued, health surveillance and medicals continue to be delivered by our approved Occupational Health Providers in line with the requirement of our clients. Safety critical medicals and drug and alcohol screening for workers on rail projects continue to be undertaken in accordance with Network Rail requirements.

Mental health

The mental health of our workforce and their loved ones has never been more important. As members of Mates in Mind and in line with our "Safety in Action" strategy, the business continues to provide Mental Health Awareness training for our workforce; to end the stigma surrounding mental health.

COVID-19

Throughout this period, we continued to operate in line with Government and Construction Leadership Council guidance; adapting our practices, and adopting technology to protect the health, safety and wellbeing of our workforce, their families, and the NHS.

Environment

Kilnbridge is committed to the ongoing protection and enhancement of the environment. This is achieved through education, knowledge, and practical applications.

Our policy and ISO 14001 accredited Environmental Management System seeks to minimise the negative environmental impacts of our operations through the efficient use of resources, energy and carbon management, and creating processes to deliver our services in a more sustainable way.

We are proud to build upon our Gold membership of the Supply Chain Sustainability School, by becoming Partners, allowing us to collaborate with like-minded businesses in helping shape the sustainable agenda both within the industry and our supply chain.

KILNBRIDGE GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Waste

Our Waste Management Facility has successfully been audited against the requirements of PAS 402; which provides a standardised framework for the demonstration of performance against key areas for waste contractors.

Kilnbridge Waste Management Facility diverts 100% of waste from landfill and feeds it back into industry for reuse, ensuring the maximum use of resources whilst contributing towards a circular economy. The implementation of a trade waste collection software has enabled us to deliver an online customer portal with full electronic duty of care documentation; which improves workflows both within the business and for our customers whilst providing a sustainable and innovative solution.

Energy and carbon

We have prepared a Streamlined Energy and Carbon Reporting (SECR) statement as part of this financial report; the data collected has helped us to identify areas of improvement thus paving the way towards transitioning to net zero carbon emissions.

The measures implemented during the refurbishment and renovation of our London and Northampton facilities have continued to significantly reduce energy consumption and, therefore, our environmental impact.

We continue to invest in new plant and equipment technologies to meet the needs of the business's innovative construction methods and to improve project performance in terms of sustainability, programme, and cost. This includes, use of electric plant to reduce CO2 emissions on our project sites, and inclusion of electric vehicles in our company car fleet.

Our fleet telematics technology allows us to record CO2 emissions and fuel consumption in order to identify opportunities for reduction and minimise our environmental impact, as part of our future strategy to transition to net zero carbon.

GHG Emissions Data	2020	2021
Total energy consumed (kWh)	8,952,836	7,248,715
Scope 1 emissions from gas, transport and construction site fuel use (tCO2e)	2,275.55	1,755.26
Scope 2 emissions from electricity use (tCO2e)	122.15	117.03
Scope 3 emissions from vehicle business travel (tCO2e)	12.69	18.53
Total gross tCO2e	2,410.39	1,890.82
Intensity ratio: Tonnes CO2e per £m turnover	26.53	25.66

We have applied the most relevant emission factors sourced from DEFRA's 2021 UK Greenhouse Gas ('GHG') Conversion Factors for Company Reporting.

Sustainable procurement and supply chain

The sustainable sourcing of materials and products is key to delivering our procurement policy. As a sustainability focused business, we acknowledge the importance of local procurement and responsible sourcing of materials required to meet our own and stakeholders' expectations.

KILNBRIDGE GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

The introduction of a supplier management system has aligned us to the requirements of PAS 91 and the Common Assessment Standard. This is a "live" system which allows us to select which supplier is best placed to be used on a particular project, enabling us to deliver the most sustainable solution to our clients.

Our subcontractors are fully vetted, selected and onboarded in accordance with our procurement procedures. We believe that in this fully collaborative, respectful, and open approach with our supply chain members, very little or nothing stands in the way of integrating them as fully effective members of our team.

Employee involvement

On 2nd March 2021, 100% of the ordinary share capital of the parent company was transferred to an Employee Ownership Trust (EOT) for the benefit of the Group's employees who are the sole beneficiaries of the Trust, on terms that the requirements of the EOT legislation in sections 236H to 236U TCGA 1992 are met. The consideration for the transfer was determined based on an arms-length valuation prepared by Francis Clark LLP. The former shareholders will receive their consideration as and when funds are made available to the EOT via ad hoc contributions received from the parent company by way of gifts out of post-tax distributable reserves. There is no debt to be recognised in the books of the Group as a consequence of the transaction.

The transition to employee ownership has been designed to support the sustainability of the organisation and to secure the legacy of the founding family. Becoming employee owned recognises all who have dedicated their time and energy to support the business, contributing to the success it is today.

The advantages of being employee owned, sharing the responsibility, opportunities and therefore reward, sits well with the inclusive culture that has been fostered within the business over the years. Whilst the detail of this may evolve and vary over time, it has been recognised that employee ownership affords all the opportunity to ensure that a values driven culture remains key within the business.

People

We know that our employees are our most important asset, and so we invest in the training and personal development of our workforce to achieve their career aspirations, whilst meeting the current and future needs of the business.

In close alignment with our value of "Excellence", our training programme and the development of our procedures and bespoke training courses are designed to ensure "Confidence in Competence" in our workforce.

We have delivered 795 days' of health, safety, and sustainability training during this financial year.

Our apprenticeship programme continues to provide school leavers and students with the opportunity to begin a career in the construction industry. We offer an exciting opportunity to gain internationally recognised qualifications whilst simultaneously progressing their career as an industry professional. We offer skill-based and degree-based apprenticeships in disciplines including:

- Accountancy
- Administration
- Civil Engineering
- Construction Related Trades
- Information Technology
- Quantity Surveying
- Vehicle and Plant Maintenance

Modern slavery

We operate a zero-tolerance approach to modern slavery with our Anti-Slavery and Human Trafficking policy consistent with the requirements of the Modern Slavery Act 2015.

KILNBRIDGE GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Equality, Diversity and Inclusion

Kilnbridge is an equal opportunities employer committed to creating a diverse workplace where everyone is treated fairly and with respect.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

To support our HR strategy, we have trained and appointed FIRS ambassadors and continue to provide EDI training to the workforce.

Social value

At Kilnbridge, we are committed to our social responsibility by actively embracing the communities in which we operate.

We are dedicated to the highest positive impact on society, resulting in mutually beneficial relationships for the business and our stakeholders. We believe, commercial success and social and environmental responsibilities go hand in hand and embrace opportunities to give back to society, in collaboration with our clients, through our workforce, or with locally supported bodies.

We are proud to have our own STEM ambassadors that are working with schools and colleges providing advice on the full range of construction careers, promoting the industries in which we operate to identify suitable candidates for future placements or employment.

Statement of directors' responsibilities

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

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

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

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

KILNBRIDGE GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

Auditor

The auditor, Arram Berlyn Gardner LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Going concern

The financial information for the year to 30th June 2021 has been prepared assuming that the Group will continue as a going concern.

Under the going concern assumption, the Board of Directors is required to consider the Groups ability to continue as a going concern over a period of at least 12 months from the date of approval of the financial statements.

The Directors are confident that the Group can continue to trade successfully for the foreseeable future because we have a satisfactory order book from well-established clients, good liquidity and consistent profits.

On behalf of the board

D McDermott
Director

29 March 2022

KILNBRIDGE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KILNBRIDGE GROUP LIMITED

Opinion

We have audited the financial statements of Kilnbridge Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

KILNBRIDGE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF KILNBRIDGE GROUP LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

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.

KILNBRIDGE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF KILNBRIDGE GROUP LIMITED

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and the parent company through discussions with directors and other management, and from our commercial knowledge and experience of the construction and engineering sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and the parent company, including the Companies Act 2006, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group and the parent company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing internal health and safety reports and external audit reports in respect of the group and the parent company's ISO management systems.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

KILNBRIDGE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) **TO THE MEMBERS OF KILNBRIDGE GROUP LIMITED**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

Ian Hughes ACA (Senior Statutory Auditor)
For and on behalf of Arram Berlyn Gardner LLP

30 March 2022

Chartered Accountants
Statutory Auditor

30 City Road
London
EC1Y 2AB

KILNBRIDGE GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
	Notes	£	£
Turnover	3	73,689,687	90,865,590
Cost of sales		(65,290,698)	(81,769,864)
Gross profit		8,398,989	9,095,726
Administrative expenses		(3,383,137)	(3,135,562)
Other operating income		369,139	657,382
Operating profit	4	5,384,991	6,617,546
Interest receivable and similar income	8	25,618	48,929
Interest payable and similar expenses	9	(91,775)	(127,603)
Amounts written off investments	10	-	(783,463)
Profit before taxation		5,318,834	5,755,409
Tax on profit	11	368,893	(437,272)
Profit for the financial year		5,687,727	5,318,137

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

KILNBRIDGE GROUP LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	13	7,092,477		9,223,576	
Investment properties	14	-		300,000	
Investments	15	60,500		1,200	
		<u>7,152,977</u>		<u>9,524,776</u>	
Current assets					
Stocks	17	304,421		281,441	
Debtors	18	15,379,301		19,168,391	
Cash at bank and in hand		17,549,702		18,470,825	
		<u>33,233,424</u>		<u>37,920,657</u>	
Creditors: amounts falling due within one year	19	(20,907,196)		(19,244,135)	
Net current assets		<u>12,326,228</u>		<u>18,676,522</u>	
Total assets less current liabilities		<u>19,479,205</u>		<u>28,201,298</u>	
Creditors: amounts falling due after more than one year	20	(988,695)		(2,206,144)	
Provisions for liabilities					
Deferred tax liability	22	103,679		28,821	
		<u>(103,679)</u>		<u>(28,821)</u>	
Net assets		<u>18,386,831</u>		<u>25,966,333</u>	
Capital and reserves					
Called up share capital	24	10,000		10,000	
Other reserves	25	326,352		(457,111)	
Profit and loss reserves	25	18,050,479		26,413,444	
Total equity		<u>18,386,831</u>		<u>25,966,333</u>	

The financial statements were approved by the board of directors and authorised for issue on 29 March 2022 and are signed on its behalf by:

D McDermott
Director

KILNBRIDGE GROUP LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		6,000,736		7,924,971
Investment properties	14		-		300,000
Investments	15		65,500		6,200
			<u>6,066,236</u>		<u>8,231,171</u>
Current assets					
Debtors	18	550,136		607,420	
Cash at bank and in hand		8,747,197		11,422,149	
		<u>9,297,333</u>		<u>12,029,569</u>	
Creditors: amounts falling due within one year	19	(10,081,390)		(5,933,700)	
Net current (liabilities)/assets			<u>(784,057)</u>		<u>6,095,869</u>
Total assets less current liabilities			<u>5,282,179</u>		<u>14,327,040</u>
Creditors: amounts falling due after more than one year	20		(988,695)		(2,206,144)
Provisions for liabilities	22		(74,858)		-
Net assets			<u>4,218,626</u>		<u>12,120,896</u>
Capital and reserves					
Called up share capital	24		10,000		10,000
Other reserves	25		-		(783,463)
Profit and loss reserves	25		4,208,626		12,894,359
Total equity			<u>4,218,626</u>		<u>12,120,896</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £5,364,959 (2020 - £2,895,397 profit).

The financial statements were approved by the board of directors and authorised for issue on 29 March 2022 and are signed on its behalf by:

D McDermott
Director

Company Registration No. 02846010

KILNBIDGE GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

		Share capital	Other reserves	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 July 2019		10,000	326,352	22,311,844	22,648,196
Year ended 30 June 2020:					
Profit and total comprehensive income for the year		-	-	5,318,137	5,318,137
Dividends	12	-	-	(2,000,000)	(2,000,000)
Transfers		-	(783,463)	783,463	-
Balance at 30 June 2020		10,000	(457,111)	26,413,444	25,966,333
Year ended 30 June 2021:					
Profit and total comprehensive income for the year		-	-	5,687,727	5,687,727
Dividends	12	-	-	(13,267,229)	(13,267,229)
Transfers		-	783,463	(783,463)	-
Balance at 30 June 2021		10,000	326,352	18,050,479	18,386,831

KILNBRIDGE GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

		Share capital	Other reserves	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 July 2019		10,000	-	11,215,499	11,225,499
Year ended 30 June 2020:					
Profit and total comprehensive income for the year		-	-	2,895,397	2,895,397
Dividends	12	-	-	(2,000,000)	(2,000,000)
Transfers		-	(783,463)	783,463	-
Balance at 30 June 2020		10,000	(783,463)	12,894,359	12,120,896
Year ended 30 June 2021:					
Profit and total comprehensive income for the year		-	-	5,364,959	5,364,959
Dividends	12	-	-	(13,267,229)	(13,267,229)
Transfers		-	783,463	(783,463)	-
Balance at 30 June 2021		10,000	-	4,208,626	4,218,626

KILNBRIDGE GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

		2021		2020	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	31	16,101,519		18,746,993	
Interest paid		(91,775)		(127,603)	
Income taxes (paid)/refunded		(1,654,358)		128,473	
Net cash inflow from operating activities		14,355,386		18,747,863	
Investing activities					
Purchase of tangible fixed assets		(983,678)		(2,112,205)	
Proceeds on disposal of tangible fixed assets		612,640		224,895	
Purchase of investment property		-		(10,966)	
Proceeds on disposal of investment property		300,000		-	
Purchase of investments		(59,300)		-	
Interest received		25,618		48,929	
Net cash used in investing activities		(104,720)		(1,849,347)	
Financing activities					
Payment of finance leases obligations		(1,904,560)		(1,228,481)	
Dividends paid to equity shareholders		(13,267,229)		(2,000,000)	
Net cash used in financing activities		(15,171,789)		(3,228,481)	
Net (decrease)/increase in cash and cash equivalents		(921,123)		13,670,035	
Cash and cash equivalents at beginning of year		18,470,825		4,800,790	
Cash and cash equivalents at end of year		17,549,702		18,470,825	

KILNBRIDGE GROUP LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	32	9,321,894	10,607,669
Interest paid		(88,856)	(127,603)
Income taxes paid		(485,000)	(133,112)
Net cash inflow from operating activities		8,748,038	10,346,954
Investing activities			
Purchase of tangible fixed assets		(626,974)	(1,535,751)
Proceeds on disposal of tangible fixed assets		612,640	224,895
Purchase of investment property		-	(10,966)
Proceeds on disposal of investment property		300,000	-
Purchase of investments		(59,300)	-
Interest received		22,433	34,263
Dividends received		3,500,000	2,000,000
Net cash generated from investing activities		3,748,799	712,441
Financing activities			
Payment of finance leases obligations		(1,904,560)	(1,228,481)
Dividends paid to equity shareholders		(13,267,229)	(2,000,000)
Net cash used in financing activities		(15,171,789)	(3,228,481)
Net (decrease)/increase in cash and cash equivalents		(2,674,952)	7,830,914
Cash and cash equivalents at beginning of year		11,422,149	3,591,235
Cash and cash equivalents at end of year		8,747,197	11,422,149

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

Kilnbridge Group Limited ("the company") is a company limited by shares incorporated in England and Wales. The registered office is McDermott House, South Crescent, Cody Road Business Park, London, E16 4TL.

The group consists of Kilnbridge Group Limited and its subsidiary.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Kilnbridge Group Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 June 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.4 Turnover

The group recognises revenue when it transfers control over the product or service to its client. Revenue is measured at the fair value of the consideration received or receivable, net of sales tax.

Revenue recognition is based on the satisfaction of our performance obligations which are satisfied over the duration of a contract. Therefore, contract revenue and costs are recognised by reference to the stage of completion of each contract, as measured by the proportion of total costs at the balance sheet date to the total expected costs of the contract.

Revenue from services and construction contracts is recognised by reference to the stage of completion of the contract, as set out in the accounting policy for Long Term contracts.

Where the consideration is not specified in the contract with a customer and is subject to variability, the company estimates the amount of consideration to be received from its clients.

Revenue is only recognised to the extent that it is highly probable and that a significant reversal in the amount of cumulative revenue will not occur.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the life of the lease
Plant and equipment	Plant and machinery: 25% reducing balance, Small tool and equipment: 50% on cost per year, Formwork: 14.28% on cost per year, Cranes: 10% on cost per year
Fixtures and fittings	25% reducing balance/over the life of the lease
Computer equipment	50% on cost per year
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss in the income statement.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the income statement.

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Cost of raw materials is determined on a first in first out basis.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.10 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.11 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and at bank.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.20 Research and development

The group incurs expenditure on its research and development in order to solve problems in connection with the work for which it contracts or seeks to win. This includes solving technical problems, reducing risk and seeking to provide effective and efficient solutions to problems. Where higher tax relief is available, this is accounted for when quantified with a degree of confidence. This may be after the end of the financial year, which can result in prior year adjustments on tax.

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Construction contracts

The group recognises revenue and costs by reference to stage of completion of the contract. When assessing the value of construction contracts, management considers factors including final projected contract value, predicated final costs to complete, their assessment whether its receipt is probable and their historical experience

Estimates of the final outcome on each contract may include cost contingencies to take account of specific risks within each contract. Cost contingencies are reviewed on a regular basis throughout the life of the contract and are adjusted where appropriate. However, the nature of the risks on projects are such that they often cannot be resolved until the end of the project and therefore may not reverse until the end of the project. The estimated final outcomes on projects are continuously reviewed and adjustments are made where necessary.

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2021 £	2020 £
Turnover analysed by class of business		
Construction, civil engineering and related services	73,689,687	90,865,590
	<u>73,689,687</u>	<u>90,865,590</u>
	2021 £	2020 £
Other significant revenue		
Interest income	25,618	48,929
Grants received	367,139	655,727
	<u>367,139</u>	<u>655,727</u>

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	5,854	(221)
Government grants	(367,139)	(655,727)
Depreciation of owned tangible fixed assets	1,376,873	1,292,732
Depreciation of tangible fixed assets held under finance leases	1,223,981	1,576,149
(Profit)/loss on disposal of tangible fixed assets	(98,717)	54,458
	<u>1,239,852</u>	<u>1,060,281</u>

5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	41,500	39,500
	<u>41,500</u>	<u>39,500</u>
For other services		
Taxation compliance services	4,150	3,900
	<u>4,150</u>	<u>3,900</u>

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Administration and directors	95	148	4	3
Site based	224	204	2	3
Total	319	352	6	6

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	17,624,661	18,595,275	209,500	149,751
Social security costs	2,046,917	1,937,326	27,868	17,018
Pension costs	353,772	334,685	12,000	12,000
	20,025,350	20,867,286	249,368	178,769

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	428,305	473,795
Company pension contributions to defined contribution schemes	10,000	10,000
	438,305	483,795

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	292,356	384,047
Company pension contributions to defined contribution schemes	10,000	10,000

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

8 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	24,520	48,929
Other interest income	1,098	-
Total income	25,618	48,929

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	24,520	23,268
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9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	2,919	-
Other interest on financial liabilities	2,464	1,960
	5,383	1,960
Other finance costs:		
Interest on finance leases and hire purchase contracts	86,392	125,643
Total finance costs	91,775	127,603

10 Amounts written off investments

	2021	2020
	£	£
Changes in the fair value of investment properties	-	(783,463)

11 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	1,054,571	1,280,711
Benefit arising from a previously unrecognised tax loss or credit	(1,498,322)	(843,439)
Total current tax	(443,751)	437,272
Deferred tax		
Origination and reversal of timing differences	74,858	-
Total tax (credit)/charge	(368,893)	437,272

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

11 Taxation

(Continued)

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	5,318,834	5,755,409
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,010,578	1,093,528
Tax effect of expenses that are not deductible in determining taxable profit	(3,259)	20,369
Movement on valuation of investment property not taxable	-	148,858
Adjustments in respect of prior years	(1,498,322)	(843,439)
Group relief	-	(54)
Permanent capital allowances in excess of depreciation	(316,441)	(447,852)
Depreciation not deductible	387,084	455,515
Loss/(gain) on disposal of tangible fixed assets	(18,756)	10,347
Deferred tax	74,858	-
Other tax adjustments	(4,635)	-
Taxation (credit)/charge	(368,893)	437,272

12 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Interim paid	13,267,229	2,000,000

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

13 Tangible fixed assets

Group	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 July 2020	2,165,805	15,932,432	1,492,493	42,233	3,861,100	23,494,063
Additions	264,968	600,821	111,265	-	6,624	983,678
Disposals	-	(580,642)	-	-	(689,890)	(1,270,532)
Transfers	-	(106,377)	106,377	-	-	-
At 30 June 2021	2,430,773	15,846,234	1,710,135	42,233	3,177,834	23,207,209
Depreciation and impairment						
At 1 July 2020	1,093,588	9,927,469	1,176,861	41,967	2,030,602	14,270,487
Depreciation charged in the year	468,530	1,643,757	128,930	266	359,371	2,600,854
Eliminated in respect of disposals	-	(464,151)	-	-	(292,458)	(756,609)
Transfers	-	(95,224)	95,224	-	-	-
At 30 June 2021	1,562,118	11,011,851	1,401,015	42,233	2,097,515	16,114,732
Carrying amount						
At 30 June 2021	868,655	4,834,383	309,120	-	1,080,319	7,092,477
At 30 June 2020	1,072,217	6,004,963	315,632	266	1,830,498	9,223,576

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

13 Tangible fixed assets

(Continued)

Company	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 July 2020	15,898,574	1,152,798	3,861,100	20,912,472
Additions	600,821	19,529	6,624	626,974
Disposals	(580,642)	-	(689,890)	(1,270,532)
Transfers	(106,377)	106,377	-	-
At 30 June 2021	15,812,376	1,278,704	3,177,834	20,268,914
Depreciation and impairment				
At 1 July 2020	9,910,584	1,046,315	2,030,602	12,987,501
Depreciation charged in the year	1,635,270	42,645	359,371	2,037,286
Eliminated in respect of disposals	(464,151)	-	(292,458)	(756,609)
Transfers	(95,224)	95,224	-	-
At 30 June 2021	10,986,479	1,184,184	2,097,515	14,268,178
Carrying amount				
At 30 June 2021	4,825,897	94,520	1,080,319	6,000,736
At 30 June 2020	5,987,990	106,483	1,830,498	7,924,971

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2021 £	2020 £	Company 2021 £	2020 £
Plant and equipment	2,737,864	3,734,775	2,737,864	3,734,775
Motor vehicles	1,051,452	1,719,964	1,051,452	1,719,964
	3,789,316	5,454,739	3,789,316	5,454,739

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

14 Investment property

	Group 2021 £	Company 2021 £
Fair value		
At 1 July 2020	300,000	300,000
Disposals	(300,000)	(300,000)
	<u> </u>	<u> </u>
At 30 June 2021	-	-
	<u> </u>	<u> </u>

15 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investment in subsidiary	16	-	-	5,000	5,000
Unlisted investments		60,500	1,200	60,500	1,200
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		60,500	1,200	65,500	6,200
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

Movements in fixed asset investments Group

	Investments other than loans £
Cost or valuation	
At 1 July 2020	1,200
Additions	59,300
	<u> </u>
At 30 June 2021	60,500
	<u> </u>
Carrying amount	
At 30 June 2021	60,500
	<u> </u>
At 30 June 2020	1,200
	<u> </u>

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

15 Fixed asset investments (Continued)

Movements in fixed asset investments Company	Shares in group undertakings	Other investments other than loans	Total
	£	£	£
Cost or valuation			
At 1 July 2020	5,000	1,200	6,200
Additions	-	59,300	59,300
At 30 June 2021	5,000	60,500	65,500
Carrying amount			
At 30 June 2021	5,000	60,500	65,500
At 30 June 2020	5,000	1,200	6,200

16 Subsidiaries

Details of the company's subsidiary at 30 June 2021 is as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Kilnbridge Construction Services Limited	McDermott House, Cody Road Business Park, South Crescent, London, E16 4TL	Construction services	Ordinary	100.00	-

17 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables	304,421	281,441	-	-

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

18 Debtors

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,923,274	1,903,792	1,104	1,017
Gross amounts owed by contract customers	10,416,135	14,016,409	-	-
Corporation tax recoverable	1,498,322	-	287,139	-
Amounts owed by group undertakings	-	1,283,408	-	351,057
Other debtors	384,137	1,018,354	258,564	252,017
Prepayments and accrued income	1,157,433	946,428	3,329	3,329
	<u>15,379,301</u>	<u>19,168,391</u>	<u>550,136</u>	<u>607,420</u>

19 Creditors: amounts falling due within one year

		Group 2021	2020	Company 2021	2020
	Notes	£	£	£	£
Obligations under finance leases	21	872,417	1,559,528	872,417	1,559,528
Trade creditors		7,018,952	6,048,475	145,154	51,079
Amounts owed to group undertakings		753,807	-	5,333,216	2,904,975
Corporation tax payable		582,093	1,181,880	234,498	309,526
Other taxation and social security		1,836,750	2,396,331	361,968	423,900
Other creditors		3,295,435	853,876	3,061,736	604,595
Accruals and deferred income		6,547,742	7,204,045	72,401	80,097
		<u>20,907,196</u>	<u>19,244,135</u>	<u>10,081,390</u>	<u>5,933,700</u>

The bank facilities are secured by a fixed and floating charge over the assets of the company and group by intercompany guarantees.

20 Creditors: amounts falling due after more than one year

		Group 2021	2020	Company 2021	2020
	Notes	£	£	£	£
Obligations under finance leases	21	<u>988,695</u>	<u>2,206,144</u>	<u>988,695</u>	<u>2,206,144</u>

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

21 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Within one year	914,770	1,649,688	914,770	1,649,688
In two to five years	1,016,397	2,291,348	1,016,397	2,291,348
	<u>1,931,167</u>	<u>3,941,036</u>	<u>1,931,167</u>	<u>3,941,036</u>
Less: future finance charges	(70,055)	(175,364)	(70,055)	(175,364)
	<u>1,861,112</u>	<u>3,765,672</u>	<u>1,861,112</u>	<u>3,765,672</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

22 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	103,679	28,821
	<u>103,679</u>	<u>28,821</u>
Company	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	74,858	-
	<u>74,858</u>	<u>-</u>
Movements in the year:	Group 2021 £	Company 2021 £
Liability at 1 July 2020	28,821	-
Charge to profit or loss	74,858	74,858
	<u>103,679</u>	<u>74,858</u>
Liability at 30 June 2021	103,679	74,858

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

23 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	353,772	334,685

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

	Group and company	
	2021	2020
	£	£
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary of £1 each	10,000	10,000

25 Reserves

Other reserve

The other reserve was created on acquisition of Kilnbridge Construction Services Limited and represents the difference between the cost of investments and the net assets of the subsidiary on acquisition on 1 October 1996. The cost of acquisition was met by issuing 5,000 shares in Kilnbridge Group Limited in exchange for 5,000 shares in Kilnbridge Construction Services Limited.

Profit and loss reserve

Retained earnings represents accumulated comprehensive income for the year and prior periods less dividends paid.

26 Financial commitments, guarantees and contingent liabilities

The obligations under hire purchase agreements are secured on the related tangible fixed assets of the group.

As at 30 June 2021, the group had given guarantees under performance bonds taken out by a subsidiary company totalling £2,242,806 (2020: £2,562,047).

27 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	790,095	669,772	-	-
Between two and five years	2,959,805	1,225,018	-	-
In over five years	683,750	267,500	-	-
	<u>4,433,650</u>	<u>2,162,290</u>	<u>-</u>	<u>-</u>

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors of the parent company and subsidiary companies, is as follows:

	2021 £	2020 £
Aggregate compensation	1,806,928	1,542,687

Transactions with related parties

The Company and its subsidiaries occupy properties comprising its head office, manufacturing base and plant depot which are owned by the Directors Pension Fund at a current rental based on an independent professional valuation. A director and close family member are trustees and beneficiaries of that fund. Rent payments totalled £609,300 (2020: £609,300).

29 Directors' transactions

At the end of the year, there was a balance of £3,011,883 (2020: £569,863) owed to the directors.

30 Controlling party

The immediate parent undertaking and the largest group to consolidate these financial statements is NG Investments Limited. Copies of the NG Investments Limited consolidated financial statements can be obtained from its registered office, McDermott House, South Crescent, Cody Road Business Park, London, E16 4TL.

The ultimate controlling party is Kilnbridge Trustees Limited on behalf of the Kilnbridge Employee Ownership Trust.

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

31 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	5,687,727	5,318,137
Adjustments for:		
Taxation (credited)/charged	(368,893)	437,272
Finance costs	91,775	127,603
Investment income	(25,618)	(48,929)
(Gain)/loss on disposal of tangible fixed assets	(98,717)	54,458
Depreciation and impairment of tangible fixed assets	2,600,854	2,868,881
Other gains and losses	-	783,463
Movements in working capital:		
Increase in stocks	(22,980)	(5,301)
Decrease in debtors	5,287,412	6,542,536
Increase in creditors	2,949,959	2,668,873
Cash generated from operations	16,101,519	18,746,993

32 Cash generated from operations - company

	2021 £	2020 £
Profit for the year after tax	5,364,959	2,895,397
Adjustments for:		
Taxation charged	197,691	366,991
Finance costs	88,856	127,603
Investment income	(3,522,433)	(2,034,263)
(Gain)/loss on disposal of tangible fixed assets	(98,717)	54,458
Depreciation and impairment of tangible fixed assets	2,037,286	2,397,448
Other gains and losses	-	783,463
Movements in working capital:		
Decrease in debtors	344,423	2,371,822
Increase in creditors	4,909,829	3,644,750
Cash generated from operations	9,321,894	10,607,669

KILNBRIDGE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

33 Analysis of changes in net funds - group

	1 July 2020 £	Cash flows £	30 June 2021 £
Cash at bank and in hand	18,470,825	(921,123)	17,549,702
Obligations under finance leases	(3,765,672)	1,904,560	(1,861,112)
	<u>14,705,153</u>	<u>983,437</u>	<u>15,688,590</u>

34 Analysis of changes in net funds - company

	1 July 2020 £	Cash flows £	30 June 2021 £
Cash at bank and in hand	11,422,149	(2,674,952)	8,747,197
Obligations under finance leases	(3,765,672)	1,904,560	(1,861,112)
	<u>7,656,477</u>	<u>(770,392)</u>	<u>6,886,085</u>

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