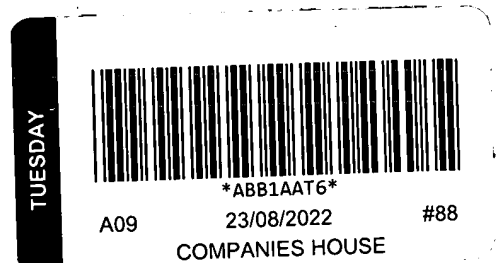


COMPANY REGISTRATION NUMBER: 03431388

Bateman Groundworks Limited
Financial statements
31 December 2021



Bateman Groundworks Limited

Strategic report

Year ended 31 December 2021

Introduction

The principal activity of the company during the year was that of groundworks and light civil engineering, with focus on the new build residential sector.

Strategy

The company will look to strengthen its reputation in the sector through the continued provision of high levels of customer service and continue its current focus to attract new contracts and new clients on a local and regional basis in both the new build residential and commercial sectors and infrastructure schemes.

Objectives

The company aims to increase turnover and margin through increased levels of activity, stronger pricing, and active cost management ensuring maximum efficiency whilst maintaining excellent client delivery, communications, and support.

To develop the best teams through effective recruitment and development including provision of above industry standard training at all levels of the company, encompassing highest levels of health and safety training and management.

To secure and maintain use of best technology and plant in all our operations including improving our environmental impact.

Coronavirus

During the year the company continued to respond to the pandemic by maintaining Covid safe working practices across each of our sites and the head office in line with Government guidance. By focusing on the safety of our staff, customers, and all other stakeholders we were able to operate continuously at each of our sites throughout 2021.

Disruption caused by Coronavirus to supplies and labour have been managed during the year and are now incorporated into business-as-usual procedures.

Management continues to keep the situation under continuous assessment and maintains plans and contingency measures for several scenarios to mitigate the worst of the impact to the business.

Principal risks and uncertainties

The continued labour shortage experienced in the UK and local region remains a risk to business. Alongside this is rising inflation impacting cost of labour and materials.

To mitigate both and the volatility they can cause to demand in our industry, management have been regularly assessing the business' resilience to change and establishing plans that act to safeguard the business against several scenarios and their impact on turnover and operations.

The company is more agile to change, has developed strong relationships with clients and suppliers and has reinvested profits over the last few years to retain a robust balance sheet and financial position. The company is well positioned to manage current and future risks and capitalise on the opportunities at present and ahead.

Bateman Groundworks Limited

Strategic report *(continued)*

Year ended 31 December 2021

Business review

2021 has been an exceptionally strong year, where the company has responded well to the opportunities and increased demand following the challenges faced in 2020. Year on year turnover has increased by 76% to £40.348m which is testament to the hard work and commitment of the teams and individuals within the business. This also demonstrates the company's ability to remain agile and respond to client demands and requirements in a fast-changing market. Operationally we have maintained our service delivery on quality, health and safety and build programmes despite on-going challenges with material lead times, price inflation, and the availability of sufficient skilled labour. This has ensured we have secured extended phases on several existing projects and been successful in obtaining the award of three new site starts during Q3 and Q4 establishing a healthy pipeline of contract works for delivery during 2022 and beyond.

Profit before tax increased by £2.4m to £3.8m.

Throughout 2021 the company continued to invest in its plant, machinery and vehicle fleet and its people, ensuring it remains well positioned to continue to deliver the planned growth and sustainable operations.

The shareholders' funds amount to £7.25m (2020: £7.36m).

The year-end position of the company is satisfactory, and the business has continued to maintain a strong focus on cost control and working capital management in delivering the growth achieved during 2021.

The directors have evaluated the company's financial position including reviewing post year end management information and forward-looking information. The directors consider the company is in a strong position with sufficient cash and financing arrangements to meet its liabilities as they fall due.

The key performance indicators are turnover and profit. Given the straightforward nature of the business, the company directors are of the opinion that further analysis of key performance indicators is not necessary for an understanding of the development, performance, or position of the business.

Future outlook

The first half of 2022 has continued where 2021 left off with several months delivering record levels of turnover and further growth is forecast for the full year turnover result.

The company remains in a very strong position with a good order book of long-term contracts and active tendering and negotiations on several new projects in the local area that are expected to commence during the end of 2022 and going into 2023.

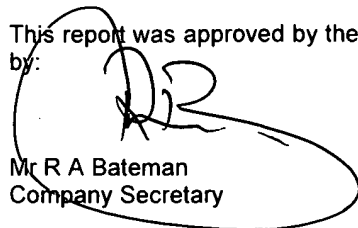
The financial and operational resilience planning incorporated over the last few years within the business has helped the company adapt and achieve the results in 2021 and during the start of 2022. It remains well positioned to deliver on existing contracts and capitalise on new opportunities. Management remains focussed on forecasting and working with our clients and supply chain to identify and understand market trends that impact the business while there remains uncertainty and volatility in the economy and industry, in order to safeguard the business and all its stakeholders and provide confidence for the foreseeable future.

Bateman Groundworks Limited

Strategic report *(continued)*

Year ended 31 December 2021

This report was approved by the board of directors on ~~19th August 2022~~ and signed on behalf of the board by:



Mr R A Bateman
Company Secretary

Registered office:
4 Octagon Business Park
Hospital Road
Little Plumstead
Norwich
Norfolk
NR13 5FH

Bateman Groundworks Limited

Directors' report

Year ended 31 December 2021

The directors present their report and the financial statements of the company for the year ended 31 December 2021.

Directors

The directors who served the company during the year were as follows:

Mr R A Bateman
Mr J M Ramsey
Mr D W Marsh
Mr L Nicholas
Mrs B A Bateman
Mr D A Lefevre

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Financial instruments

The company's principal financial instruments comprise the business bank account and overdraft facility, trade creditors and debtors, bank loans and hire purchase funding. These financial instruments provide the necessary funding for the company's operations and grant the company access to raise funds when required.

Disclosure of information in the strategic report

The company has taken advantage of the exemptions available in section 414C(11) of the Companies Act 2006 with regards to the disclosure of certain information in the directors report. Such information is now included in the Strategic Report starting on page 2 which contains appropriate detailed information of the review of the business during the year and the principal risks and uncertainties affecting the company and its business.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

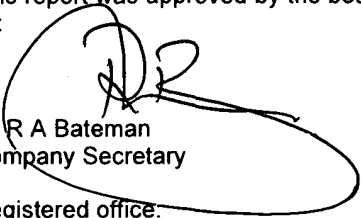
The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

Bateman Groundworks Limited

Directors' report *(continued)*

Year ended 31 December 2021

This report was approved by the board of directors on ~~19th August 2022~~ and signed on behalf of the board by:



Mr R A Bateman
Company Secretary

Registered office:
4 Octagon Business Park
Hospital Road
Little Plumstead
Norwich
Norfolk
NR13 5FH

Bateman Groundworks Limited

Directors' responsibilities statement

Year ended 31 December 2021

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 company and the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Bateman Groundworks Limited

Independent auditor's report to the member of Bateman Groundworks Limited

Year ended 31 December 2021

Opinion

We have audited the financial statements of Bateman Groundworks Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Bateman Groundworks Limited

Independent auditor's report to the member of Bateman Groundworks Limited *(continued)*

Year ended 31 December 2021

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the 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 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.

Bateman Groundworks Limited

Independent auditor's report to the member of Bateman Groundworks Limited (continued)

Year ended 31 December 2021

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:

- Obtaining an understanding of the company's systems and controls and performing walkthrough tests to confirm the operation of these;
- Enquiry of management and those charged with governance;
- Review of minutes of meetings of those charged with governance;
- Review of accounting records to identify any indication of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Bateman Groundworks Limited

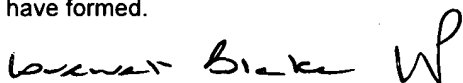
Independent auditor's report to the member of Bateman Groundworks Limited (continued)

Year ended 31 December 2021

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.



Neil Orford FCA CF (Senior Statutory Auditor)

For and on behalf of
Lovewell Blake LLP
Chartered accountants & statutory auditor
Sixty Six
North Quay
Great Yarmouth
Norfolk
NR30 1HE

19 August 2022

Bateman Groundworks Limited

Statement of comprehensive income

Year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	4	40,348,488	22,860,691
Cost of sales		(33,590,930)	(19,598,870)
Gross profit		<u>6,757,558</u>	<u>3,261,821</u>
Administrative expenses		(2,959,937)	(3,018,692)
Other operating income	5	61,566	1,163,322
Operating profit	6	<u>3,859,187</u>	<u>1,406,451</u>
Other interest receivable and similar income	10	1,887	5,699
Interest payable and similar expenses	11	(62,086)	(50,096)
Profit before taxation		<u>3,798,988</u>	<u>1,362,054</u>
Tax on profit	12	(896,597)	(329,355)
Profit for the financial year		<u>2,902,391</u>	<u>1,032,699</u>
Revaluation of tangible assets		-	234,684
Tax relating to components of other comprehensive income		(11,793)	(37,345)
Other comprehensive income for the year		<u>(11,793)</u>	<u>197,339</u>
Total comprehensive income for the year		<u>2,890,598</u>	<u>1,230,038</u>

All the activities of the company are from continuing operations.

The notes on pages 14 to 25 form part of these financial statements.

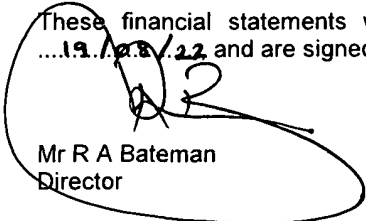
Bateman Groundworks Limited

Statement of financial position

31 December 2021

	Note	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	14		5,984,846		4,700,096
Current assets					
Stocks	15	1,238,555		365,100	
Debtors	16	7,929,472		7,385,876	
Cash at bank and in hand		5,522,855		4,258,891	
		<u>14,690,882</u>		<u>12,009,867</u>	
Creditors: Amounts falling due within one year	17	<u>(9,400,697)</u>		<u>(5,955,815)</u>	
Net current assets			<u>5,290,185</u>		<u>6,054,052</u>
Total assets less current liabilities			<u>11,275,031</u>		<u>10,754,148</u>
Creditors: Amounts falling due after more than one year	18		(2,964,557)		(2,933,334)
Provisions					
Taxation including deferred tax	20		<u>(1,056,640)</u>		<u>(457,578)</u>
Net assets			<u>7,253,834</u>		<u>7,363,236</u>
Capital and reserves					
Called up share capital	24		100		100
Share premium account	25		1,782		1,782
Revaluation reserve	25		185,546		197,339
Capital redemption reserve	25		100		100
Profit and loss account	25		<u>7,066,306</u>		<u>7,163,915</u>
Shareholder funds			<u>7,253,834</u>		<u>7,363,236</u>

These financial statements were approved by the board of directors and authorised for issue on ~~19/12/22~~ 22 and are signed on behalf of the board by:


Mr R A Bateman
Director

Company registration number: 03431388

The notes on pages 14 to 25 form part of these financial statements.

Bateman Groundworks Limited

Statement of cash flows

Year ended 31 December 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	2,902,391	1,032,699
<i>Adjustments for:</i>		
Depreciation of tangible assets	1,049,748	827,444
Other interest receivable and similar income	(1,887)	(5,699)
Interest payable and similar expenses	62,086	50,096
Gains on disposal of tangible assets	(153,116)	(23,530)
Tax on profit	896,597	329,355
<i>Changes in:</i>		
Stocks	(873,455)	31,450
Trade and other debtors	(543,596)	(1,202,376)
Trade and other creditors	2,674,700	223,092
Cash generated from operations	6,013,468	1,262,531
Interest paid	(62,086)	(50,096)
Interest received	1,887	5,699
Tax paid	(174,484)	(234,035)
Net cash from operating activities	<u>5,778,785</u>	<u>984,099</u>
Cash flows from investing activities		
Purchase of tangible assets	(895,255)	(247,582)
Proceeds from sale of tangible assets	741,912	181,220
Net cash used in investing activities	<u>(153,343)</u>	<u>(66,362)</u>
Cash flows from financing activities		
Proceeds from borrowings	–	1,800,000
Repayments of borrowings	(175,172)	(53,150)
Payments of finance lease liabilities	(1,186,306)	(546,475)
Dividends paid	(3,000,000)	–
Net cash (used in)/from financing activities	<u>(4,361,478)</u>	<u>1,200,375</u>
Net increase in cash and cash equivalents	1,263,964	2,118,112
Cash and cash equivalents at beginning of year	4,258,891	2,140,779
Cash and cash equivalents at end of year	<u>5,522,855</u>	<u>4,258,891</u>

The notes on pages 14 to 25 form part of these financial statements.

Bateman Groundworks Limited

Notes to the financial statements

Year ended 31 December 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 4 Octagon Business Park, Hospital Road, Little Plumstead, Norwich, Norfolk, NR13 5FH.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain fixed assets.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- i) Revenue recognition and the profit measurement on construction contracts.
- ii) Retention calculation, including the anticipated costs of remedial works.
- iii) Valuation of freehold property.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- i) Depreciation and the estimation of the residual value of the asset at the end of its useful economic life.
- ii) Anticipated costs of remedial works as included within the retention figure held by third parties.

Bateman Groundworks Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Revenue recognition

Turnover represents the total amount receivable from groundworks and other light civil engineering services provided during the year, recognised at the point at which the company has earned the right to the consideration by fulfilling its obligation with respect to the work.

Retentions at 31 December 2021, which have not been invoiced to customers, have been recognised as turnover. The company also provides for the anticipated costs for remedial work associated with that expected turnover.

Income tax

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Improvements to short leasehold property	-	Straight line over the period of the lease
Plant, machinery, fixtures and equipment	-	17.5% - 20% reducing balance and 25% straight line
Motor vehicles	-	20% straight line

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis, and includes all direct costs incurred. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal. Work in progress is certified by the customer and is valued at the certified selling price.

Bateman Groundworks Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Defined contribution pension plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Bateman Groundworks Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2021

4. Turnover

Turnover arises from:

	2021	2020
	£	£
Construction contracts	<u>40,348,488</u>	<u>22,860,691</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	2021	2020
	£	£
Government grant income	16,176	1,112,412
Rent received and other recharges	<u>45,390</u>	<u>50,910</u>
	<u>61,566</u>	<u>1,163,322</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2021	2020
	£	£
Depreciation of tangible assets	1,049,748	827,444
Gains on disposal of tangible assets	(153,116)	(23,530)
Impairment of trade debtors	17,282	89,782
Operating lease costs	<u>147,207</u>	<u>165,879</u>

7. Auditor's remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	<u>14,900</u>	<u>14,150</u>
Fees payable to the company's auditor and its associates for other services: Other non-audit services	<u>1,900</u>	<u>1,700</u>

8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2021	2020
	No.	No.
Production staff	124	148
Administrative staff	<u>23</u>	<u>20</u>
	<u>147</u>	<u>168</u>

Bateman Groundworks Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2021

8. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Wages and salaries	6,539,821	6,915,983
Social security costs	796,221	641,704
Other pension costs	442,129	404,650
	<u>7,778,171</u>	<u>7,962,337</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	1,185,771	893,402
Company contributions to defined contribution pension plans	41,238	26,917
	<u>1,227,009</u>	<u>920,319</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2021	2020
	No.	No.
Defined contribution plans	<u>3</u>	<u>3</u>

Remuneration of the highest paid director in respect of qualifying services:

	2021	2020
	£	£
Aggregate remuneration	372,115	242,599
Company contributions to defined contribution pension plans	7,500	12,500
	<u>379,615</u>	<u>255,099</u>

10. Other interest receivable and similar income

	2021	2020
	£	£
Interest on cash and cash equivalents	1,389	5,699
Corporation tax interest receivable	498	-
	<u>1,887</u>	<u>5,699</u>

11. Interest payable and similar expenses

	2021	2020
	£	£
Interest on banks loans and overdrafts	26,083	14,065
Interest on obligations under finance leases and hire purchase contracts	30,602	30,755
Corporation tax interest payable	887	-
Other interest payable and similar charges	4,514	5,276
	<u>62,086</u>	<u>50,096</u>

Bateman Groundworks Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2021

12. Tax on profit

Major components of tax expense

	2021 £	2020 £
Current tax:		
UK current tax expense	310,563	182,323
Adjustments in respect of prior periods	(1,235)	33,730
Total current tax	<u>309,328</u>	<u>216,053</u>
Deferred tax:		
Origination and reversal of timing differences	587,269	113,302
Tax on profit	<u>896,597</u>	<u>329,355</u>

Tax recognised as other comprehensive income or equity

The aggregate current and deferred tax relating to items recognised as other comprehensive income or equity for the year was £11,793 (2020: £37,345).

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

The differences are explained below:-

	2021 £	2020 £
Profit on ordinary activities before taxation	<u>3,798,988</u>	<u>1,362,054</u>
Profit on ordinary activities by rate of tax	721,808	258,790
Adjustment to tax charge in respect of prior periods	(1,235)	-
Effect of expenses not deductible for tax purposes	64,280	62,554
Effect of capital allowances and depreciation	(20,989)	8,966
Other tax adjusting items	28	(955)
Increase in deferred tax due to change in tax rate	132,705	-
Tax on profit	<u>896,597</u>	<u>329,355</u>

13. Dividends

	2021 £	2020 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>3,000,000</u>	<u>-</u>

Bateman Groundworks Limited

Notes to the financial statements (continued)

Year ended 31 December 2021

14. Tangible assets

	Freehold property £	Freehold investment property £	Improve- ments to short leasehold property £	Plant, machinery, fixtures and equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2021	680,000	520,000	213,408	5,001,896	963,492	7,378,796
Additions	-	289,412	-	2,087,522	546,360	2,923,294
Disposals	-	-	(213,408)	(1,261,543)	(94,376)	(1,569,327)
At						
31 December 2021	<u>680,000</u>	<u>809,412</u>	<u>-</u>	<u>5,827,875</u>	<u>1,415,476</u>	<u>8,732,763</u>
Depreciation						
At 1 January 2021	-	-	196,346	1,965,664	516,690	2,678,700
Charge for the year	-	-	17,062	789,313	243,373	1,049,748
Disposals	-	-	(213,408)	(682,556)	(84,567)	(980,531)
At						
31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,072,421</u>	<u>675,496</u>	<u>2,747,917</u>
Carrying amount						
At						
31 December 2021	<u>680,000</u>	<u>809,412</u>	<u>-</u>	<u>3,755,454</u>	<u>739,980</u>	<u>5,984,846</u>
At 31 December 2020	<u>680,000</u>	<u>520,000</u>	<u>17,062</u>	<u>3,036,232</u>	<u>446,802</u>	<u>4,700,096</u>

Included within freehold property is land with a value of £51,250 which is not depreciated.

The freehold property, including the investment property element, was valued on 31 December 2021 by the directors on an open market basis.

Tangible assets held at valuation

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property £
At 31 December 2021	
Aggregate cost	460,500
Aggregate depreciation	(30,368)
Carrying value	<u>430,132</u>
At 31 December 2020	
Aggregate cost	460,500
Aggregate depreciation	(22,776)
Carrying value	<u>437,724</u>

Bateman Groundworks Limited

Notes to the financial statements (continued)

Year ended 31 December 2021

14. Tangible assets (continued)

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant, machinery, fixtures and equipment £	Motor vehicles £	Total £
At 31 December 2021	<u>2,769,863</u>	<u>552,796</u>	<u>3,322,659</u>
At 31 December 2020	<u>1,869,852</u>	<u>334,757</u>	<u>2,204,609</u>

15. Stocks

	2021 £	2020 £
Raw materials and consumables	<u>1,238,555</u>	<u>365,100</u>

16. Debtors

	2021 £	2020 £
Trade debtors	5,826,979	4,825,273
Amounts owed by group undertakings	1,676,514	1,872,267
Prepayments and accrued income	146,094	121,408
Directors loan account	33,457	23,516
Other debtors	<u>246,428</u>	<u>543,412</u>
	<u>7,929,472</u>	<u>7,385,876</u>

The debtors above include the following amounts falling due after more than one year:

	2021 £	2020 £
Trade debtors	1,739,630	898,714
Other debtors	–	11,421
	<u>1,739,630</u>	<u>910,135</u>

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	417,295	175,172
Trade creditors	5,346,179	3,694,956
Accruals and deferred income	1,176,470	501,386
Corporation tax	310,563	175,719
Social security and other taxes	273,800	220,945
Obligations under finance leases and hire purchase contracts	1,215,228	822,013
Other creditors	<u>661,162</u>	<u>365,624</u>
	<u>9,400,697</u>	<u>5,955,815</u>

Bateman Groundworks Limited

Notes to the financial statements (continued)

Year ended 31 December 2021

17. Creditors: Amounts falling due within one year (continued)

Liabilities under bank loans are secured on the company's freehold property. Liabilities under hire purchase agreements are secured on the assets to which they relate.

At the year end the Company was in breach of the EBITDA to debt service coverage covenant on the Coronavirus Business Interruption Loan. The total carrying amount of the loan at the year end was £1,680,000. The bank have issued a letter dated 17 August 2022 stating they are not taking any action as a result of the breach provided the ongoing financial covenants are complied with.

18. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	1,554,817	1,972,112
Obligations under finance leases and hire purchase contracts	1,409,740	961,222
	<u>2,964,557</u>	<u>2,933,334</u>

Included within creditors: amounts falling due after more than one year is an amount of £Nil (2020: £289,460) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Bank loans represent two loans undertaken by the company.

One loan was taken out by the company in the financial year ending 31 December 2016 over a term of ten years, with interest charged at 3.74% per annum.

The second loan relates to a Coronavirus Business Interruption Loan taken out during the year ending 31 December 2020 over a term of six years, with interest charged at 2.44% per annum. No capital repayments are due for the initial 12 months of the loan. The government will make a Business Interruption Payment to cover the interest and fees for the first 12 months and provide a limited guarantee of up to 80% of the loan capital.

At the year end the Company was in breach of the EBITDA to debt service coverage covenant on the Coronavirus Business Interruption Loan. The total carrying amount of the loan at the year end was £1,680,000. The bank have issued a letter dated 17 August 2022 stating they are not taking any action as a result of the breach provided the ongoing financial covenants are complied with.

Liabilities under bank loans are secured on the company's freehold property. Liabilities under hire purchase agreements are secured on the assets to which they relate.

19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2021	2020
	£	£
Not later than 1 year	1,258,605	844,148
Later than 1 year and not later than 5 years	1,433,228	982,651
	<u>2,691,833</u>	<u>1,826,799</u>
Less: future finance charges	(66,865)	(43,564)
Present value of minimum lease payments	<u>2,624,968</u>	<u>1,783,235</u>

Bateman Groundworks Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2021

20. Provisions

	Deferred tax (note 21) £
At 1 January 2021	457,578
Additions	599,062
At 31 December 2021	<u>1,056,640</u>

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2021 £	2020 £
Included in provisions (note 20)	<u>1,056,640</u>	<u>457,578</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021 £	2020 £
Accelerated capital allowances	990,700	411,462
Other timing differences	(14,252)	(14,830)
Revaluation of freehold property	80,192	60,946
	<u>1,056,640</u>	<u>457,578</u>

22. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £442,129 (2020: £404,650).

23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021 £	2020 £
Recognised in other operating income:		
Government grants recognised directly in income	<u>16,176</u>	<u>1,112,412</u>

24. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Bateman Groundworks Limited

Notes to the financial statements (continued)

Year ended 31 December 2021

25. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs. There has been no movement on this account during the financial year.

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses. Within this reserve are unrealised gains on the company's investment property of £143,000 together with a provision for tax of £31,054 that would arise should the property be disposed of at its carrying value.

26. Analysis of changes in net debt

	At 1 January 2021	Cash flows	New finance leases	At 31 December 2021
	£	£	£	£
Cash at bank and in hand	4,258,891	1,263,964		5,522,855
Debt due within one year	(997,185)	33,819	(669,157)	(1,632,523)
Debt due after one year	(2,933,334)	965,638	(996,861)	(2,964,557)
	<u>328,372</u>	<u>2,263,421</u>	<u>(1,666,018)</u>	<u>925,775</u>

27. Operating leases

As lessee

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

	2021	2020
	£	£
Not later than 1 year	86,314	154,760
Later than 1 year and not later than 5 years	52,697	120,209
	<u>139,011</u>	<u>274,969</u>

As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	40,200	40,200
Later than 1 year and not later than 5 years	160,800	160,800
Later than 5 years	30,150	70,350
	<u>231,150</u>	<u>271,350</u>

Bateman Groundworks Limited

Notes to the financial statements *(continued)*

Year ended 31 December 2021

28. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2021				
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Amounts written off	Balance outstanding
	£	£	£	£	£
Mr R A Bateman	23,516	52,656	(60,966)	–	15,206
Mr J M Ramsey	–	10,751	–	–	10,751
Mr D W Marsh	–	–	–	–	–
Mr L Nicholas	–	7,500	–	–	7,500
	<u>23,516</u>	<u>70,907</u>	<u>(60,966)</u>	<u>–</u>	<u>33,457</u>
	2020				
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Amounts written off	Balance outstanding
	£	£	£	£	£
Mr R A Bateman	579,951	402,954	(959,389)	–	23,516
Mr J M Ramsey	50,378	102,768	–	(153,146)	–
Mr D W Marsh	–	100,219	(100,000)	(219)	–
Mr L Nicholas	–	100,219	–	(100,219)	–
	<u>630,329</u>	<u>706,160</u>	<u>(1,059,389)</u>	<u>(253,584)</u>	<u>23,516</u>

29. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 from disclosing transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

During the year the company paid rent of £5,188 (2020: £20,750) to Mr R A Bateman's personal pension scheme.

Key management personnel are considered to be the directors and their remuneration is disclosed in note 9.

30. Controlling party

The parent company and controlling party is Bateman Groundworks (Holdings) Limited. The registered office of Bateman Groundworks (Holdings) Limited is 4 Octagon Business Park, Hospital Road, Little Plumstead, Norwich, Norfolk, NR13 5FH. The group consolidated accounts are available from the Registrar of Companies.