REGISTERED NUMBER: 02181671 (England and Wales)

Annual Report and Financial Statements for the year ended 31 December 2020

for

Buckingham Group Contracting Limited

2020 Performance highlights

Financial	Sustainable growth	Corporate responsibility
Record Turnover **£584 million** 20% Annual Growth	Profit Pedigree **Eight successive years** of profitable trading	**102** Apprentices, graduates & trainees
Cash at Bank **£90 million** Up 57% on 2019	Outlook for **2021** **£625 million sales** **2% net profit** Growth in volume & margin	Training (Covid Safe) **478** attendees with **circa 3,500** hours dedicated to safety training
Pre-tax Profit **£8.6 million** A good result in the face of Covid-19	Gearing **ZERO gearing** And no use of credit facilities for five years	Waste **16,072** tonnes diverted from landfill with **14,882** tonnes recovered or recycled
Net margin **1.5%** 50% above target	Repeat business **80%** of 2020 workload	**100%** of interim Covid-19 Staff Pay Reductions were repaid in full in October 2020
Balance sheet **£44 million** Up 36% in two years – a prudent dividend policy through Covid	Order book at 1st January 2021 **£1.03 billion** A record forward order book	

Contents of the report and financial statements for the year ended 31st December 2020

1.0 Company information

DIRECTORS:	Mr T J Brown Mr M T Kempley Mr K Underwood Mr P W Wheeler Mr I M McSeveney Mr S D Walkley Mr A S Kerr Mr R M Plant
SECRETARY:	Mrs P J Wheeler
REGISTERED OFFICE:	Black Pit Farm Silverstone Road Stowe Buckingham Buckinghamshire MK18 5LJ
REGISTERED NUMBER:	02181671 (England and Wales)
AUDITOR:	Mazars LLP Chartered Accountants and Statutory Auditor The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF

The Directors present their report and financial statements of the Company for the year ended 31st December 2020.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of a civil engineering and building contractor including demolition, land remediation and railway engineering projects in the UK and Ireland.

2.0 Strategic Report

2.1 Summary: 2020 – A year like no other

It is clear that both 2020 and 2021 will remain in our memories for decades to come. The focus will naturally be on the devastating health impacts resulting from the first Global Pandemic that most of us have been directly impacted by. The severe lockdowns and social distancing measures imposed globally by governments and the resulting economic recession and recovery, will no doubt be studied and debated well into the future.

It is therefore a matter of great pride for all of our Buckingham Group colleagues that, as far as our work is concerned, we are able to genuinely reflect that throughout 2020, and so far through this pandemic, together we have successfully and safely navigated our way through the potentially huge impacts of Covid-19.

This success has been a result of the combined ingenuity, professionalism, care, determination, and simple hard work of everyone in the business and the suppliers who support us.

Together, our teams ensured that only a handful of our people appeared to contract the virus through the workplace, and we can be extremely grateful that throughout 2020, no employees were admitted to hospital as a result of Covid-19.

This enabled the business to safely continue playing its vital part in the economy, improving our built environment in so many ways, while maintaining the livelihoods of thousands of employees, both within our business and working for our supply chain.

The construction industry has been fortunate in enduring considerably less impact than many sections of industry and society, but of course the challenge has been a tough one. We should acknowledge that many of our colleagues have been, and will be, feeling fatigued by the way we have had to work, with much reduced social interaction and freedoms, inside and outside of work.

When reporting on 2019 performance in May 2020, the Board downgraded the forecast for 2020 sales by £100 million to £500 million. However, this would still have represented a modest increase from 2019.

This reduction in our pre-pandemic expectations represented a combination of:

- Real delays being experienced to anticipated new orders in Spring 2020
- The postponement of some already secured turnover into 2021

At the same time the target profit margin for 2020 was depressed from 2.5% to 1%.

We are therefore delighted to report that the final outturn result for 2020 is that turnover has grown by 20% from 2019 to a record level of £584 million, with the delivery of a net profit margin of 1.5%.

Set against the backdrop of the disruption and additional costs caused by the Pandemic, this outcome represents an outstanding result. The outcome also serves to highlight the tremendous resilience and common purpose exhibited by our employees and suppliers throughout 2020.

As the details within this report serve to demonstrate, once we had navigated the highly uncertain initial weeks of the first Covid 'Lockdown' in March 2020, the business was not satisfied with simply surviving during 2020.

Instead, we continued to adapt, invest, and develop with the same agile dynamism that has underwritten the Company's successful and self-sufficient evolution to date.

Whilst our head office complex at Stowe has never been quieter, our work winning teams, based largely from domestic kitchens, bedrooms and studies across the country have rarely been more active or successful than during the past twelve months.

The result of this collective endeavour is that at the time of signing off these results, our teams have already secured £590 million of workload for 2021, with total sales for the year set to exceed yet a further record level of £625 million.

The Company remains active in all our key operating sectors with repeat business for a core of high-quality customers running at 80% as measured by the proportion of all new contracts in 2020.

By continuing to develop market diversity and remaining ready to deploy our resources flexibly, the Board believes the business can continue to deliver sustainable turnover and profitability levels.

This provides the platform for our staff to develop and thrive, for the business to enhance its reputation, and supports progressively stronger financial resilience.

2.2 Financial Commentary – 2020 Results

Table 1: 2020 Financial KPIs

Measure	2020	2019
Turnover	£584m	£486m
Aggregate annual growth in turnover – 3 years	11%	6%
Pre-tax profit	£8.6m	£10.2m
Profit margin %	1.5%	2.1%
Profit after tax	£6.9m	£8.0m
Net assets	£43.8m	£38.2m
Cash at bank	£90m	£57m
Loan debt	Nil	Nil
Forward order book (from Jan 2021/2020)	£1,030m	£710m

Financial overview

2020 marked the culmination of a 20-year period of sustained growth during which the business has returned a loss in only one trading year, when a post-tax loss of £1.4 million was reported in 2012.

The four years to 2020 has seen the Company deliver an aggregate net margin of 2.2% on a total £2.0 billion of sales. In 2020, despite the impacts of Covid-19, annual turnover reached an all-time high of £584 million with zero gearing and the record year-end cash position of £90 million.

Modest dividend distributions in both 2019 and 2020 have supported a £12 million increase in net assets over two years to yet a further record level of £43.8 million as at 31 December 2020.

These impressive figures demonstrate the sustained success of the business, and the resilience of the company's finances, which is underwritten by the Board's prudent approach to cash retention.

The last distribution of dividends was £1.3 million in January 2020. This reflects with the Board's choice to cancel all planned dividend payments until the Covid-19 crisis had been successfully tackled.

In HSBC, the Company has a long term and supportive corporate banking partner. The Board has continued to operate a self-sufficient financial model whereby a significant proportion of post-tax profit is retained as cash to fund the full working capital requirements of the business.

This is underlined by the fact that the business has now traded for five successive years without utilising any overdraft or bank credit facility.

Based on the strong balance sheet position at 31 December 2020 and the record level of secured turnover, the directors consider the Company has sufficient headroom to support its activities for the foreseeable future.

Inflation and the availability of materials and services are of particular concern as the industry emerges from Covid-19. Risk assessments and mitigation measures are constantly under review, and impacts are factored into tenders and contract forecasts.

Ethical trading approach

The Company generally contracts with its key subcontractors on favourable 28-day to 45-day payment terms, or less for smaller organisations.

Additionally, the Company does not experience any challenges with supplier credit or availability.

The Directors continue to drive a culture of early resolution of issues. Senior managers are encouraged to settle accounts, wherever possible, whilst their contracts remain live.

2.3 Business review and general outlook

Safety & Wellbeing Focus

The Board's overriding focus will always be Safety Performance and fulfilling our long-standing objective that Buckingham Group is widely recognised as a high performing contractor on Safety and Wellbeing.

We can report a very welcome continuation of the improvement in overall safety performance during 2020, as measured by key accident and incident frequency statistics.

The Accident Frequency Rate (AFR) has averaged 0.03 through both 2019 and 2020, down from an average of 0.11 during the preceding two years. Lost Time Injury rates present a similar picture.

Together with all our colleagues, the Board recognises that the dynamic construction industry and the site environment present sustained challenges of new people, methods, and suppliers.

We recognise that maintaining good safety performance requires unswerving vigilance and persistence in continually seeking to raise performance levels. We remain reassured that the positive incident statistics have been supported by excellent engagement levels and consistently robust ownership of safety outcomes amongst our staff and management teams.

As well as investing in significant dedicated safety management resources, refreshing our approach, and keeping training and coaching vibrant, is therefore a vital aspect of the Board's safety strategy.

Our safety training embraces modern aids including virtual reality methods, and the Company's strong, professional, safety team is supported by our Safety Coaches and Wellbeing programmes.

Our Staff make the business 'Best in Class'

It is the Board's aim that Buckingham Group should be a 'Best in Class' Design and Build contractor for the customers and sectors we serve.

The level of repeat business underlines how well our highly skilled staff engage with clients, designers, and suppliers on a daily basis. It is essentially the combined enthusiasm and capability of our staff and supply chain that supports the progressive development of Buckingham Group's reputation and industry relationships.

The Board remains focussed on retaining the inventive, client facing, family business ethos that has been the foundation of the Company's success to date.

An average growth rate of 11% over the past three years aligns closely with this target.

Turnover shifts a gear to £600 million level

For an eighth year in succession, the Company delivered a profitable outcome. The £584 million outturn represents Buckingham Group's highest ever output, and the Board is confident sales will exceed £625 million in 2021.

The medium-term target remains to deliver controlled expansion of 5-10% per year over a five-year period.

Availability of Work and Diversity of Markets

The Board remains confident in the 'pipeline' of known and identified available construction opportunities in our core markets.

This opportunity pipeline stands in excess of £5.9 billion, with £1.4 billion of this either being tendered currently or having already been bid, with the list including several 'preferred bidder' positions.

As the sector reports highlight, we continue to successfully develop a broad diversity of work-type and customers within each operating sector. Several years of investment has gone into securing HS2 opportunities in terms of winning work, establishing resources, and setting up a Birmingham office.

In order to bring the requisite focus to HS2 operations, the Board established a distinct HS2 operating division in January 2020 under Sector MD Simon Hyams, with this 'sector' team generating £47 million of sales in the year. Significant future opportunities have recently been secured that will underpin the continued growth of Buckingham Group workload on this major national infrastructure project.

Board and Management Developments in 2020

Richard Plant (pictured right) took up his executive appointment as Group Commercial Director in January 2020.

As well as relieving pressures on existing Directors in dealing with high level commercial matters, Richard has been developing the consistency and effectiveness of our commercial systems and undertaking a directing and supporting role with our Procurement and Legal functions and Sector Commercial Directors.

The start of 2020 also saw several internal promotions at Divisional Managing Director level along with the appointment of Dave Sizer (left), who joined the Company from Kier, as Managing Director Building in February.

September 2020 saw the appointment of Paul Rigby as Buckingham Group's new Head of Quality and Assurance. Paul is now managing the Assurance function, maintaining our range of vital Accreditations, and leading our Quality team. With the close support of the Board, Paul is spearheading the Company's Quality All Ways initiative.

Paul brings drive and energy to the role as well as a unique blend of skills developed over a wide and varied career. Paul is a Chartered Quality Professional and is a Fellow of the Chartered Quality Institute. He has over 20 years' experience in delivering business assurance projects across a broad range of organisations in a mixture of roles through Client, Contractor and Supply Chain organisations.

Paul joined us from Network Rail, where for the previous 2 years his role had been Head of Quality Systems for Infrastructure Projects – Track.

In October 2020 we were delighted to announce the appointment of David Rawlinson into the newly created role of Group IT Director.

David had been working with the business over the previous 18 months advising on digital strategy, IT infrastructure and business process improvement. David has more than 25 years of experience as a senior IT professional with over 15 years operating at Group IT Director level. He brings a wealth of experience in the construction sector having spent 15 years with Alfred McAlpine and McNicholas Construction.

Also, in October 2020, we welcomed back Ian Burford to the business in the key role of Pre-Construction Director covering our Building and Sports and Leisure activities.

Ian is already adding significant value in this pivotal role, leading the pre-construction team in delivering the consistently high tender throughput that is essential for the business. Ian was previously Commercial Director for our Building sector and he re-joined Buckingham Group after a two years spell with Morgan Sindall.

Other more recent key developments include the appointment in early 2021 of Nick O'Connor who recently joined the business from Costain as our Group Head of Risk and Legal. This marks a milestone for Buckingham Group with Nick being our first in-house Lawyer.

Investment in young people

The Company's training programmes are very well established, with a strong emphasis over the past six years on graduate and apprentice development.

Aside from non-apprentice trainees, we currently have 89 apprentices employed in a variety of roles across the business, plus a further 13 (FTE) apprentices working across our wide range of projects.

There has been a continued engagement in recruitment, training, and development of entry level staff across the business with a general increase of graduate intake and provision of Student Placement opportunities.

The development programme has supported 8 staff members to complete studies and take up full time roles in the business together with a further 28 candidates continuing their journey with 'next level' studies aligned to their key role within the business.

It is a pleasure for the Board to see young people maturing and developing as they progress through their respective training programmes.

2.4 Covid-19 Health Emergency and Recession

Covid-19 - Managing the health emergency

The Board addressed the Covid-19 crisis firmly at an early stage, establishing a leadership team under our Chief Executive and publishing a comprehensive Business Continuity Plan. Directors have acted 'hands on' in leading the Company response throughout.

Implementing a necessarily flexible and balanced approach, the stated aims of the continuity planning were to:

- **Protect the physical and mental health of our people, and other stakeholders** through adherence to government guidelines, and mobilising our substantial resources to manage the health risks as the absolute priority
- **Protect the financial well-being of our people** and their families to help them maintain individual daily life, income levels and personal wellbeing at a sustainable level
- **Protect the financial stability and sustainability of the business and our stakeholders including our customers.** This has been achieved by maintaining continuity of the business, through ensuring that tendering activity and pre-construction services continued and through safely delivering secured construction projects, all as close to 'normal' as we could.

From the outset, the Board made a priority of communicating openly and frequently with all stakeholders, and in particular our employees. A specific Company intranet site was established at an early stage and remains live today.

The site allows staff to access the latest Covid-19 information and instructions arising from the Board's response to the health emergency and the unfolding financial crisis. The site has also been updated as and when applicable government rules, Construction Leadership Council (CLC) advice and Company Covid Procedures are updated.

The business established a comprehensive reporting system at an early stage enabling Directors to closely monitor, and regularly report to staff, the statistics of all positive Covid-19 cases amongst our staff and supply chain.

Covid-19 - Impacts in 2020

The two key factors that impacted the business were

- Negative impact upon demand for services
- Reduced efficiency in delivering secured workload

Impact on demand:

In general terms, there has undoubtedly been a negative impact upon demand for construction through 2020, with investors delaying decisions while the future trading environment remained so uncertain.

Many commercial investors, especially in the sports and leisure, and speculative construction markets, naturally wanted to see how the effects of the Government's 'lockdowns' and vaccination programmes evolved.

The go-ahead for the HS2 and East West Rail projects provided significant encouragement that public sector projects would be less affected.

In addition, Buckingham Group's position as a leading contractor in the logistics sector provided the Board with significant confidence for the medium to long term. With e-commerce more prevalent than ever before, demand for the logistics facilities promoted by our development clients regained momentum after an initial hiatus in new orders.

At the start of the crisis, the significant levels of secured workload for 2020 and 2021 put the business in a relatively strong position. We were less reliant than ever before on securing new short to medium term work at that critical time.

It was very reassuring that, whilst there were several delayed tenders and contract awards, no live or new projects were cancelled by any customer through 2020.

Impact on efficiency

In March 2020 at the start of the UK emergency, the business had robust IT systems and healthy stocks of hardware that enabled a rapid move to remote working wherever possible. All office-based staff and some site staff immediately migrated to home working wherever their role enabled this.

As for project works, the Board had to slow, and in a few instances temporarily pause selected live projects. However, with the backing of our staff and supply chain, through implementing new controls and methods of working within the Construction Leadership Council (CLC) guidelines, only four projects, amounting to 7% of workload, had to be paused for more than one week. The majority of our 50 live projects were safely and securely progressed.

Despite some neutralising impacts, for example through realising short to medium term accommodation, travel and fuel cost reductions, there has inevitably been a net negative impact upon efficiency of site delivery.

The main cost impacts included the need for additional site office and welfare space, PPE, and testing equipment, along with the cost and time implications of inefficient working and reduced activity overlaps, especially where confined construction spaces were involved.

Mitigation actions taken

The Board implemented several high-level cost mitigation and cash preservation measures including, but not limited to, the following:

- Directors volunteered temporary salary cuts of between 20% and 50% for three months of April to June 2020
- Senior Managers accepted a temporary 20% pay cut for these three months
- Selected offsite staff accepted a pay cut of between 6% and 17.5% for the same period
- Furlough schemes were introduced and during an early short-term peak of two months, circa 10% of our employees were 'furloughed'
- The Furlough schemes included top up payments over and above the government's Jobs Retention Scheme
- The Company took part in HMRC's VAT deferral scheme

- To preserve cash, no further shareholder dividends have been paid to date after January 2020

In implementing the above measures, our lower paid colleagues were protected with no pay cuts applied for employees on salaries below £30,000.00. Additionally, for this group more generous top up arrangements applied when furloughed.

In October 2020, honouring a commitment made (if the business were to produce a profit in 2020) all of the three-month pay reduction amounts were repaid in full to the affected staff.

Overall Financial impacts in 2020

Whilst annual sales have far exceeded the revised forecast of £500 million, in the round the board estimates that turnover in 2020 was still £40 million or about 7% below the potential outcome as a result of the pandemic.

In terms of final margin, our assessment is that the final profit margin in 2020 has been depressed by circa 0.75% to 1.0 % because of increased costs and reduced efficiencies.

2.5 Future Prospects

Table 2: Forecast & target performance 2021-2022

	FY21 Forecast £m	FY22 Target £m
Secured workload	**590**	**245**
Anticipated orders	75	500
Contingency (inc' slippage)	(40)	(80)
Total revenue	**625**	**665**
Pre-tax profit	**12.5**	**15.0**
Net profit margin	**2.0%**	**2.25%**

Renewed confidence in the outlook

The Company's record forward order book at this stage of £1.03 billion reflects the continued growth in contracts for larger scale and longer duration projects. This opportunity pipeline stands in excess of £5.9 billion, with £1.4 billion of this either being tendered currently or having already been bid, and the list still includes several 'preferred bidder' positions.

A healthy diversity of the Company's operations is deliberately designed, and managed, to protect the business from rapid fluctuations in our core markets.

Driving this approach our Business Development team works closely with the Board and sector directors to review future opportunities and define key targets for market expansion and diversification.

Buoyant trading in core sectors

As the subsequent sector reports demonstrate, trading remains buoyant in each of the Company's operating areas, with record secured workload in place for 2021, some £110 million ahead of the same position in 2020.

Much of this jump represents increased activity in the industrial logistics sector, a core market for the business, supporting both our civil engineering and building capabilities, and with rail links also involved.

Building sector secured workload already exceeds £200 million for 2021, with civils infrastructure for logistics facilities adding another £80 million.

Our core customers in this market report very strong demand for storage and manufacturing facilities. The immediate impacts of Brexit, Covid-19, and events such as the Suez Canal blockage all serve to highlight the over reliance on global supply chains.

Taken together with the accelerated migration towards online shopping by consumers during the Covid 'Lockdowns', it is evident that the UK retail and manufacturing sectors require increasing distribution and factory space.

All the indicators are that this combined shift towards domestic manufacturing and online trading is not set to reverse significantly as Covid-19 restrictions are lifted.

In addition to high outputs in logistics-based schemes, and in parallel with the substantial public sector work undertaken by the HS2 and Rail sectors, our core Civil Engineering division has continued to compete successfully for publicly funded work.

This includes the recently secured Swindon Distributor Road and M1-A6 Link Road schemes.

Our Sports and Leisure sector had been a rapidly growing source of new business for the past four years with the £148 million of activity making up 25% of Company workload in 2020. Solid orders for longer term projects such as Fulham FC's new Riverside Stand and the impressive new Swansea Arena have ensured that sector sales will still represent well over 20% of group turnover in 2021.

Looking ahead, Covid-19 has certainly interrupted the stream of investment by owners and operators, but the Company's high profile in the sector should ensure sales in excess of £100 million in 2022. With our added value service, we are confident that activity in the Sports and Leisure market can rise again from 2023 onwards as overseas visitors return and the UK population continues to increase spending on leisure 'experiences'.

The business has made an impressive early impact delivering a range of civil engineering enabling works on the HS2 scheme. The Company's dedicated sector team have been very effective in understanding and meeting customer priorities, thereby securing further opportunities on the UK's dominant infrastructure programme.

The HS2 project fits extremely well with our direct delivery capabilities and looks set to be a source of healthy sales levels for several years to come.

Notwithstanding this, our senior team is already considering how we can replace this civil engineering activity in future years.

Buckingham Group has now been active in rail network infrastructure for over 20 years, with industry turnover underwritten in recent years by CP5 and CP6 'enhancement' frameworks and re-signalling schemes. Good performance resulted in the Company being named **Network Rail, Supplier of the Year in both 2015 and 2019**.

As a result of these consistently high-performance levels, the business secured a two-year extension of its key Network Rail frameworks until 2023 with workload secured likely to extend into 2024. We will naturally seek to tender for the next generation of enhancement frameworks. However, government investment in rail enhancement schemes, HS2 aside of course, has reduced and is also now funnelled through a much-diversified rail industry client base.

The business continues to secure local authority and train operator rail station or depot projects, but winning contracts has naturally become tougher in this tighter and more fragmented market. Consequently, while rail operations will remain a key activity, sales in this specialist sector are likely to remained stubbornly just short of the £100 million level in 2021 and 2022.

The Company's specialist Demolition team continues to steadily diversify its client base, working for small selection of blue-chip external customers, with no plans to become a general demolition contractor.

Simultaneously, the in-house expertise remains strategically important to the business and adds significant value across all sectors. In several instances, demolition schemes also become the pre-cursor to infrastructure and re-development project opportunities where the business has historically been well positioned to offer clients a multi-disciplinary turnkey service including brownfield remediation.

In summary, the board is hugely encouraged by the way in which our teams have tackled the pandemic and we remain optimistic that all operating sectors of the business can continue to be successful in securing record levels of workload.

Vitally, by remaining customer facing, nurturing our valuable staff resource and carefully managing the inflationary pressures that are impacting the industry, there is every reason to believe that profit margins can return to the target level of 3% or better in the years ahead.

2.6 Core Sector Operations Review

2.6.1 Civil Engineering

Performance Measures	
2020 Turnover	£126 m
Repeat business (2020 awards)	70%
Forward order book *(From 1st Jan 2021)*	£207 m

2020 Delivery
In addition to civil engineering work delivered by the Company's HS2 and Rail operations, the Civil Engineering sector continued to diversify while making a solid contribution to overall Company performance in the year. The outturn volume was just £4 million below the pre-Covid target.

The division continues to strengthen its reputation and market position. In 2020, a significant volume of work was undertaken in conjunction with other internal sector teams in delivering several major multi-disciplinary logistics contracts. This includes successful work for Segro, Prologis, Amazon, and Wren.

A particular highlight was the successful installation in late March 2020 of a 1300 tonne, 75m span landmark new road bridge across the A45 at Coventry.

In addition, the sector has also broadened its client base during 2020 with new clients in both the public and private sectors including Maritime Transport and Bedfordshire Council.

Strategy
The Civils team is focussed upon enhancing performance through strong leadership on tender and project execution planning, to ensure robust cost control and consistent project delivery.

This will be coupled with concentrating on key tender opportunities and enhancing our approach to risk management.

2021 - 2022 Outlook

2021 saw the commencement of the main earthworks at the £100 million Gateway South project, following an enabling works in 2020. This along with other projects with longer durations has strengthened the secured turnover in 2021 and future years.

The identified pipeline of civils work remains robust in 2021 to the extent that our pre-construction team is set to expand.

The project teams have innovated and worked diligently to adapt to and enforce the Covid-19 procedures, which are currently less challenging to accommodate within civil engineering schemes, when compared to building works.

The target for 2021 sales has been set at £135 million with £122 million of work already secured. This excludes contracted pre-construction services currently in progress. As with all sector 2021 figures, this discounts the effect of any slippage of sales into 2022.

2.6.2 Sports & Leisure

Performance Measures	
2020 Turnover	**£148 m**
Repeat business (2020 awards)	**66%**
Forward order book *(From 1st Jan 2021)*	**£195 m**

2020 Delivery

Despite the impacts of the pandemic, work winning success during 2019 and previous diversification initiatives provided a robust base workload for the division with ongoing major projects through 2020.

This has enabled the business to continue to develop and enhance its reputation within the Sports and Leisure market during 2020 on the following projects:

- The Riverside Stand at Fulham
- Completion of the AFC Wimbledon Stadium
- The One Oval Square project for Surrey County Cricket club
- Completion of Accessibility works for Manchester United FC
- Swansea Central Arena mixed-use scheme
- Completion of Brentford FC stadium
- Extension to Brighton & Hove Albion's elite training facility

This prestigious list of contracts underlines Buckingham Group's position as an established, leading contractor for UK sports and leisure projects.

Strategy

The core focus of the team remains the delivery of high-profile Sports Stadia and Arenas.

Our strategy of diversification into wider high usage sports and leisure projects has involved submitting proposals for a variety of public sector leisure facilities, arena projects and hotel developments.

This approach, as demonstrated in 2020, has enabled us to develop a stable foundation of workload in what can be an unpredictable market sector.

2021 - 2022 Outlook

Not surprisingly, the sports and leisure market has been significantly impacted by the Covid 19 pandemic, with facilities being closed to spectators for extended periods of the year. With visitor numbers severely impacted, income streams for operators have of course been substantially reduced. This downturn and uncertainty contributed to deferred schemes and a drop in new project awards during 2020.

We have since re-engaged on several projects that were deferred during 2020, and can now report on two new significant awards in 2021: A £60 million extension to the Anfield Road stand for Liverpool Football Club and the new £25 million Lea Valley ice-skating facility incorporating Olympic sized ice pads.

We are also retained by a number of our clients as their chosen preferred construction partner. In addition, we are developing strategic relationships with selected Leisure operators on the basis of innovative approaches to the design and engineering processes. This is fostering continued market diversification. Elsewhere, we are engaged with several football and rugby clubs who are seeking new stadia facilities and we are in dialogue to secure early contractor engagement with these schemes. The focus on continually developing our team of industry experts and focusing on the quality of our offering is key to achieving our long-term goals.

The pipeline of potential leisure project opportunities remains robust and we have confidence our strategy will provide a stable workload of exciting projects over the medium and long term.

2.6.3 Rail Industry

Performance Measures	
2020 Turnover	£76 m
Repeat business (2020 awards)	92%
Forward order book *(From 1st Jan 2021)*	£174 m

2020 Delivery
A highlight of the year was the completion of the award winning new £35 million Worcestershire Parkway station, with the project opened to much acclaim in early 2020.

Great progress was also made at Coventry Station as the £45 million station, Multi-Storey Car Park and new Footbridge started to take shape.

The rail team also successfully constructed, and entered into service, the new Howdon Depot. This key depot facility underpins the upgrade of the train fleet by Client Nexus.

The Pandemic certainly delayed rail industry client procurement which resulted in the initial £90 million target turnover dropping to a hard won £76 million outturn.

Reduced Government funding for Network Rail enhancement projects has also prolonged the period from inception to delivery, with a continued trend towards more delivery through Local Authorities, in turn demanding a shift in our marketing approach.

The Government's recovery plan includes delivery through 'Project SPEED', but schemes appear to represent a small percentage of the overall portfolio.

Strategy
The business remains a key player in the rail infrastructure market, our visible pipeline of rail sector opportunities remains strong and tendering teams remain extremely busy.

Our strategy to increase diversity through contracts for Train Operators, Local Authorities, and new clients such as DLR, has countered the historic reliance upon Network Rail workload.

Long term frameworks for enhancement schemes have supported our ability to successfully service both Network Rail and a range of new regional rail customers, covering enhancements to stations, depots, and infrastructure.

2021 - 2022 Outlook
Despite reduced passenger flow resulting from Covid-19, the Government continues to invest in the railway network, with plans to re-open selected old routes, construct new stations and enhance infrastructure.

The momentum behind net carbon zero should also see electrification schemes return to prominence.

Framework contracts continue to provide opportunities such as Headbolt Lane Station in Liverpool, Snow Hill Station in Birmingham, and further platform extension programmes in the north-west.

We also continue to expand in the northeast with a notable recent success in tendering the £55 million plus "Metro Flow" project for Nexus.

In the midlands, we are pursuing opportunities for Network Rail where infrastructure needs to be re-shaped to interface with HS2.

We also continue to price exciting schemes for West Midlands Combined Authority where we await the outcome of a tender for Willenhall & Darlaston Stations.

The recent award of the £26 million Beckton Depot enhancements for DLR has provided a healthy impetus for our London and south team.

2.6.4 HS2

Performance Measures	
2020 Turnover	£47 m
Repeat business (2020 awards)	50%
Forward order book *(From 1st Jan 2021)*	£157 m

2020 Delivery
Our HS2 sector, in its first year as a distinct operating division, made a solid contribution to overall Company performance. The project teams have innovated and worked diligently to comply with Covid-19 procedures, and the outturn contract volume was £17 million above target as a result of new work and additional scope.

With promising growth, the initial investment made in establishing and positioning of this division over the last few years has started to yield a return in 2020. Early success has been achieved through a focused approach to work winning, building relationships, with strong leadership, strategy, contract negotiation, risk management by our high-quality team performing consistently in both preconstruction and delivery.

This has progressively enhanced our reputation and market position as a key player within the HS2 community, both with HS2 and with 'Tier 1' Contractors. Recognised good performance in the year on two 'ECI' and early works engagements for EKFB and EWRA, has resulted in significant new contract awards.

Strategy
The nature and location of the HS2 scheme is an ideal fit with the Company's long-standing capabilities. With the HS2 Phase 1 Enabling Works phase coming to an end, efforts are concentrated on HS2 Phase 1 Main Works.

The HS2 team is focussed on generating additional workload whilst balancing, maintaining, and enhancing the level of high-quality resources. A key element of the strategy is the continued enhancement of quality and project execution planning. This will support robust cost control and consistent project delivery. This approach is coupled with a concentration on target tender opportunities and enhancing the approach to risk management.

The Company has invested further in expanding our dedicated HS2 pre-construction team, which should establish a more robust opportunity pipeline and meet our clients demands in securing more opportunities. The HS2 sector has worked collaboratively with sister Company Buckingham Plant Hire to advance plant technology and create greater opportunities, enabling an increase in the fleet through HS2's growing demand.

2021 - 2022 Outlook
The division has secured solid base levels of work spread over a four-year period. This includes the £110 million earthworks and civils project for EKFB and a similar £56 million project for East West Rail Alliance Phase 2.

The identified pipeline is continually enhanced through potential opportunities including as a preferred civils partner with BBV. In addition, other attractive HS2 infrastructure projects such as HS2 Phase 2 are under review which are likely to require cross sector input.

The target for 2021 sales has been set at £45 million with £38 million of work already secured. There is the potential for a significant increase in workload in 2022 - 2023 as the HS2 programme accelerates.

2.6.5 Building

Performance Measures	
2020 Turnover	**£179 m**
Repeat business (2020 awards)	**89%**
Forward order book *(From 1st Jan 2021)*	**£279 m**

2020 Delivery

Following the award of key projects including Amazon facilities in Doncaster, Redditch and Swindon, the Building team delivered sector sales of £179 million in 2020.

Despite the impact of the Pandemic, we experienced an increase in repeat business from 69% to 89% from our key clients. The prime example has been our position as one of Amazon's General Contractors (GC) with directly allocated projects over the coming years, along with the procurement of Amazon projects through a core of long-term developer customers.

Our Strategic Projects team are developing opportunities with Amazon Logistics, smaller warehouses, and Data Centre projects. Examples of our repeat business projects include:

- Amazon warehouse for Stoford Developments in Redditch and Verdion at Doncaster
- Amazon warehouse for Panattoni in Swindon
- Parcel warehouse and associated buildings for Prologis at Daventry
- Kitchen manufacturing facility for Wren Kitchens in Barton on Humber
- Warehouse projects within our Southern region for Prologis and Panattoni

Our refreshed sector Management team lead by Dave Sizer our MD Building, was further strengthened by the appointment of Ian Burford as Pre-Construction Director. With the sector reporting through Board Director Ian McSeveney, performance has improved over the year through a required sharper focus across the sector.

Strategy

Buckingham remains an established provider of industrial logistics and manufacturing facilities. Our broadening, and buoyant, markets provide opportunities for business continuity and growth. The competition within the sector remains high, which encourages our focus on continual improvement across all aspects of our pre-construction and project delivery services to our clients.

The impacts of Brexit and Covid-19, and recent inflationary pressures are impacting ourselves, our supply chain and material suppliers. This throws up greater challenges at both pre-construction and delivery phases and reinforces an improvement drive in:

- Even closer Client and Supply chain relationships as the sharing of issues becomes even more critical
- Forward planning of resource availability
- Allocation of supply chain and suppliers earlier within bid and project delivery
- Sharing issues and impacts with our clients, with the pre-allocation of trades and materials growing in momentum

We continue to demonstrate our ability to secure and deliver a diverse workload across all sectors of Buckingham operations. Our wide capabilities provide a unique offering to many of our clients, which continues to underwrite repeat business.

2021 - 2022 Outlook

An increase in average project values has expanded the expectations for 2021 volumes to circa £250 million. As in previous years this excludes the proportion of heavy industrial project work undertaken by our civil engineering division through a continued integrated team approach.

Market stability and clear signs of growth remain evident across our operating regions, giving confidence in our continued core focus within the industrial & distribution markets. This forward workload confidence provides us with confidence in a sustainable future for the Company's Building division.

2.6.6 Demolition and Land Restoration

Performance Measures	
2020 Turnover	**£8 m**
Repeat business (2020 awards)	**100%**
Forward order book *(From 1st Jan 2021)*	**£16 m**

Demolition

2020 Delivery

The Demolition sector started 2020 by working directly for a major customer to dismantle, and prepare for transport, a gas turbine generator at their site near to Bristol.

This project required significant finesse, with the main activity being the lifting of a multi-million-pound turbine unit (jet engine) out of its acoustic enclosure and onto a transport stand and then on to a transport lorry. This was followed by the acoustic enclosure and generator units. Having completed the works safely and to programme the client is now investigating undertaking similar operations with other turbine facilities.

The demolition and remediation of the former Akzo Nobel paint factory site in Slough on behalf of developer Panattoni continued throughout 2020 and is due to finish in summer 2021. The main challenge was the remediation of grossly contaminated materials from the historic onsite disposal of waste paint, solvents, and asbestos. Through various remediation treatments approximately 3000 m^3 of remediated soil materials have been placed back on site rather than be disposed of at landfill.

The second phase of demolition at a former cold storage site in Borehamwood, again for Panattoni was started in September 2020 and completed in early 2021.

Demand from some of our key customers was, quite understandably, reduced due to the Covid-19 crisis. Throughout 2020 the Demolition team continued to assist other business sectors by undertaking and advising on demolition elements of their own projects. This included demolition of silos and small ancillary buildings at the Forterra Desford Brickworks, breaking through of walls and chimney breast removal at the Oval for Stadia and undertaking demolition works for Rail at Holbeck Depot. The team finished 2020 by starting the strip out of retail units at Euston Station during the Christmas shutdown period.

Strategy

The strategy remains to steadily diversify a select external client base, without becoming a general demolition contractor. At the same time, the in-house expertise remains strategically important to the business and adds significant value across all sectors.

2021 - 2022 Outlook

Looking forward to 2021 and 2022 there is a significant amount of secured work to undertake for both developers and for long term clients such as Rolls Royce and Heineken. This is supplemented by a steady stream of in-house demand.

Land Restoration Services

The Company's niche Land Restoration Team continues to deliver a small number of long-term projects.

2.7 Staff Engagement Summary 2020

2020 was of course a very challenging year for face to face Staff Engagement. However, Directors and Senior Managers have continued to undertake Covid-safe site visits throughout the period, ensuring that our project teams feel fully supported.

The Covid-19 emergency resulted in a much-increased frequency of briefings and update bulletins from the Board to our colleagues. At peak, in March and April 2020, there were necessary Board communications and advice being issued several times a week as government rules were updated on a regular basis.

As noted previously, the Board made a priority of communicating openly and frequently with all stakeholders, and in particular our employees. As well as written updates, regular Board briefings to 100 senior managers took place over video streaming or conference call at key stages of the emergency, after which key messages and updated procedures were cascaded throughout the business. The specific Covid-19 Company intranet site was established at an early stage and remains live. The site enables staff to access the latest Covid-19 information and is regularly updated with applicable government rules, CLC advice and Company Covid Procedures.

Feedback from staff, especially those joining us from other organisations has been very positive, with the regular leadership updates, reassurances and other communications being well received.

Managers have also worked hard to ensure that local video calls are not just for meetings but are also used to keep in touch and support the well-being of our teams, especially where they have been working in isolation from home. As the lockdown restrictions are relaxed, the Board is relishing the opportunity to increase face to face engagement opportunities between the Board and all colleagues later in 2021 and beyond.

In December 2020, a fifth annual **Management Conference** was held where teams from operational sectors presented their comprehensive plans for 2021-2022 to the Board and senior colleagues. Central services teams similarly followed up in early 2021. These vital sessions cement our common goals and set benchmark targets for the year ahead. This year, they were conducted through a combination of face to face presentations with a core group, along with many more colleagues connected by video.

Staff Reward Scheme and Remuneration

The board operates a very long-established policy of sharing a proportion of company profits by means of a clearly communicated, structured staff bonus scheme. The scheme includes a definitive link to outturn profit along with criteria reflecting individual performance.

Despite the impacts of the Pandemic, the board was delighted that 2020 profits supported staff bonus payments under the scheme. Across the four calendar years 2017 to 2020, the total expenditure on Bonus payments to employees, excluding to Directors, is close to £9 million.

In recent years, we have enhanced the level of Company input into the defined contribution Group Pension Scheme for our staff, and the Board has made further enhancements to holiday entitlement and other staff benefits, including the introduction in 2017 of a Group Income Protection Scheme.

Changes to the Office Environment

Since 2015 we have invested in creating over 20,000 ft^2 of new (and refurbished) office space, and substantial new parking facilities at our Head office. The new offices provide pleasant open plan collaborative spaces, in the relaxing woodland setting at Stowe. Car charging points are incorporated in line with the Company's environmental strategy. In normal times, the new layout facilitates increasingly collaborative relationships between all sectors and head office functions. In developing the proposals, considerable attention was also given to the provision of enhanced staff welfare facilities.

Of course, the vast majority of office staff have worked from home through the Covid-19 emergency, and departmental teams are currently finalising plans for a carefully managed increase in office attendance. This will be a mixed picture with the preference for some roles to be based primarily from the office. This is especially true where teamwork, daily communication and 'on the job' learning is vital. Other roles will move to a flexible hybrid of office and home working depending on the staff role and task in hand.

2020 Trainee Summary

The opportunities for Apprentices and 'Other Entry Level' positions maintained steady growth in 2020, with 9 new Apprentices and 4 other 'Entry-Level' positions filled.

Further short-term opportunities have also been made available for 8 placement students and a successful pilot utilising a shared apprenticeship scheme for 3 candidates was implemented.

To provide full support and management of these and the other 80 or so young people developing their careers with us, the Future Skills team have embedded two additional staff members working both centrally and across Sector sites.

In 2020, due to restrictions, around 90% of the academic studies aligned with apprenticeships were undertaken remotely, either on site or in Company offices as appropriate. A 100% pass rate has been maintained.

We have a structured approach to supporting appropriate staff to achieve the membership requirements for Professional bodies, representing most of our Operational Staff, including:

- Institution of Civil Engineers (ICE) – significant numbers of staff are under a Professional Training Agreement within the Future Skills programme
- Chartered Institute of Building (CIOB)
- Royal Institution of Chartered Surveyors (RICS)
- Chartered Institution of Civil Engineering Surveyors (CICES)

We also have the following in place:

- An ICE Approved Training Scheme
- A CIOB Training Partnership Agreement

The Company is formally accredited to offer support to staff to achieve accreditation to each of these professional bodies, through to Chartered Member status. Individual development plans are agreed, and appropriate support arranged, with mentoring and training provided to help candidates achieve their goals.

For Quantity Surveying staff seeking Chartered status through RICS or CICES, the Company provides appropriate support and mentoring for what is an individually arranged process. Suitable candidates who demonstrate the desire to pursue such opportunities with training towards Professional Body Accreditation in Accountancy, Marketing and Safety amongst other areas, are also supported.

The investment in our dedicated management team, and the level of support that they offer to both managers and trainees is very significant. This demonstrates the board's long-term commitment to training and development and our recognition that professional status can enhance both the working standards and the reputation of our individual staff and our Company as a whole.

The Covid-19 pandemic naturally placed severe restrictions on visits to schools and colleges. Equally, visits to sites became extremely difficult.

Notwithstanding the difficulties our Future Skills Team came up with innovative solutions to maintain engagement. The team facilitated a **virtual site tour** of the Coventry Station project for QS and Construction Management students studying at Coventry University. A 2-hour presentation was attended by circa 30 students aged 18-30.

At our North London Waste (NLWA) project Buckingham supported the employability elements for local people such as interview and CV skills, giving the learners an honest insight as to what we as a Company look for in CV's and how they can plan for an interview. To comply with social distancing measures, we held these sessions 3 times, in total engaging with 22 local unemployed residents ranging in age from 20 to over 50 who were interested in starting a career in the industry.

2.8 Principal Risks and Uncertainties

The principal risks and uncertainties facing the Company are as follows:

Macro-Economic Impacts
The UK construction market is inevitably affected when the performance of the economy declines. The historic, inherent, diversity of the Company's activities combined with a strategic increase in diversification of clients and markets protects the business in times of macro-economic decline.

Unforeseen Contract Risks and Losses
Operating on relatively tight profit margins, the construction industry is prone to the impact of unforeseen events and the losses that can ensue on individual projects, or more widely in the case of risks such as weather and supply chain pressures.

A key approach to countering this risk is through a business model that results in numerous individual contracts of an aggregate current average value of circa £16 million, and typical duration of less than 12 months.

Furthermore, the Company has a strong and long-established in-house, work-winning resource including detailed estimating processes, legal and risk management specialists, planning and design management teams along with robust tender price sign off procedures.

At contract stage this is complimented by a thorough contract review process that results in a full sector and business performance review on a monthly basis raising early warnings of any significant issues. This approach facilitates timely and targeted management action where required.

Cash Flow and Liquidity Risk
Cash flow risk is the risk that inflows and outflows of cash and cash equivalents will not be sufficient to finance day-to-day operations of the Company.

As already set out within this report the critical policy to counter act this risk has been to retain a significant level of historic profits rather than releasing this cash in the form of Dividends.

In addition to this the Company has arranged overdraft facilities and manages cash flow by careful negotiation of terms with customers and suppliers to maintain available funds to meet its liabilities as they fall due.

Credit Risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Company policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

The Company has a large customer base of varying size and risk which covers a significant geographical area and therefore minimises the impact should a debtor default on its terms.

Inflation risk
Contract financial performance is subject to unforeseen supply chain price increases. To identify these risks, the Company continuously monitors forward supply chain prices through dialogue with suppliers and sub-contractors. Where risks are not mitigated through cost reimbursable forms of contract or fixed with the supply chain at the start of a contract, allowances and price increase mechanisms are factored into contract agreements.

2.9 Section 172 Statement

Section 172 of the Companies Act 2006 requires each director to act in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its shareholders.

In doing this, the director must have regard, amongst other matters, to:

- The likely consequences of any decision in the long term
- The interests of the Company's employees
- The need to foster the Company's business relationships with suppliers, customers, and others
- The impact of the Company's operations on the community and the environment
- The Company's reputation for high standards of business conduct; and
- The need to act fairly, as between members of the Company

The directors have complied with these requirements.

Details of the Board's decisions in 2020 to promote long-term success of the business, and how it engaged with stakeholders and considered their interests when making those decisions, can be found throughout the strategic report.

Details of staff engagement are set out above in Section 2.7.

The Company's approach to managing relationships with customers, suppliers and others is set out in the Corporate Responsibility Report, which can be found in Section 3 of the Annual report.

Section 3 also sets out the Company's corporate social responsibility policy and its approach to the environment, sustainability matters and engagement with the wider community.

The Company's policy on governance and corporate ethics is described in Section 3.7, 'Governance and people'.

Approval of the Strategic Report

This Strategic Report was approved by the Board and signed on its behalf by:

Mr M T Kempley
Chief Executive

Date: 25th May 2021

3.0 Corporate Responsibility Report

3.1 Corporate Social Responsibility (CSR) Policy Statement

The Company is committed to the principles and practices of Corporate Social Responsibility. We have, as shown in the following diagram, embraced the definition of sustainability as presented by the Brundtland Commission, recognising the three distinct areas of:

- Social Sustainability
- Economic Sustainability
- Environmental Sustainability

These principles and practices are embedded, as appropriate, into our existing policies, systems, and processes, for the benefit of staff as well as the wider community. Additionally, our approach has been designed and developed to ensure complete alignment with:

- The numerous definitions and practical applications of Social Value / Social Value Reporting applied by our wide range of clients
- The growing trend of ESG integration amongst companies and investors. ESG or Environmental, Social and Governance are commonly defined as the three central pillars used when measuring the sustainability or ethical impact of a business or Company. These three central pillars can cover a wide range of topics across an organization. A United Nations led initiative, the Principles for Responsible Investment (PRI), defines these pillars to include the factors listed in the following graphic.

Buckingham Group's stated overall objective (Mission Statement) affirms that in all key aspects we will be the best performing, and most respected, medium sized UK contractor as determined by our clients, suppliers, and employees.

To achieve this objective Buckingham Group aims to be recognised as an organisation that is transparent and ethical in all its dealings as well as making a positive contribution, by maximising the social value, to the communities in which we operate.

The principles encompassed in this policy cover all areas of the Company's operations and have been developed, and continue to be reviewed against, and updated by reference to relevant codes of corporate governance, current applicable legislation plus relevant international standards.

We ensure that:

- Employment is chosen freely
- Freedom of association is respected
- Working conditions are safe and hygienic
- Child labour is not used
- Wages are not lower than the minimum wage
- Working hours are not excessive
- No discrimination is practised
- Regular employment is provided
- No harsh or inhumane treatment is allowed

Guiding Principles

Buckingham Group is an owner-managed business, our guiding principles are based on our retained and practiced family values. We are committed to a set of key drivers, identified in the following graphic, that are available for review by all our stakeholders.

We recognise that we must integrate our business values and operations to meet the expectations of our own, and our stakeholders. These include customers, employees, suppliers, the community, and the environment.

3.2 Health and Safety, Welfare and Wellbeing

The Directors remain fully committed to retaining ISO 45001:2018 Certification and the continuous development and long-term success of "All Ways Safely" (AWS), the Company's Behavioural Safety Improvement Programme.

The long-standing programme, designed and managed in house, is delivered to drive continuous improvement in Health & Safety Performance.

3.3 Environment and Sustainability

Buckingham Group is ISO14001:2015 certified. Additionally, to demonstrate compliance with the Energy Savings Opportunity Scheme (ESOS), we have, since October 2015 maintained our ISO 50001:2011 certification. To achieve this aim, we proactively manage energy use and implement measures to reduce energy use and CO_2 emissions.

3.3.1 Planet Mark

Confirming this ongoing commitment to reduce CO_2 emissions the Company has secured Planet Mark Accreditation for 12 consecutive years (2008 to 2020 inclusive). Our 2020 certification supports our commitment to continuous improvement in sustainability, reducing our carbon emissions per employee by a further 19%.

3.3.2 Energy and Carbon - Streamlined Energy Carbon Reporting (SECR)

Introduction

Buckingham Group Contracting Ltd.'s SECR Report for the 2020 financial year (01.01.20 to 31.12.20) has been produced in compliance with:

- The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations
- 2018 HM Government's Environmental Reporting Guidelines

Buckingham Group Contracting Ltd - Streamlined Energy and Carbon Report 2020

Date created:	May 2021
Reported prepared by:	Matthew Sumners, Senior Sustainability Consultant
Statement:	Buckingham Group Contracting Ltd was responsible for the collection of activity and qualitative energy efficiency actions data. The figures in this report relating to emissions, energy consumption and intensity ratios have been calculated by the Planet Mark using the data provided.
Reporting period:	01 January 2020 – 31 December 2020
Emission sources:	Electricity, Other Fuels, Waste, Paper Procurement, Transmission and Distribution losses, Vehicle Fleet Travel, Grey Fleet
Methodology:	GHG Protocol Corporate Accounting and Reporting Standard, EMA SECR Methodology June 2019, Planet Mark code of practice, HM Government Environmental Reporting Guidelines
Yearly comparison:	No comparison, first year of submission
Yearly reduction %:	No comparison, first year of submission

Organisation details	
Company name:	Buckingham Group Contracting Ltd
Organisation boundary:	Stowe Head office, UK fleet, Build, Civil, Demolition, Rail, HS2 and Stadia operation sites
Address:	Buckingham Group Contracting Ltd Silverstone Road, Stowe, Buckingham, MK18 5LJ
Company contact name:	Andrew Scott, Business Development and Marketing Director

Reporting Period			1 January 2020 - 31 December 2020		
Source	**Scope**	**Unit**	**Amount**	**Amount (kWh)**	**Total Emissions (tCO_2e)**
Building					
Electricity (location based)	2	kWh	769,490.0	769,490.0	179.4
Transmission and distribution losses	3	kWh	769,490.0		15.4
Other Fuels	1	litres	8,696,251.7	87,844,984.2	23,974.9
Waste					
Landfill	3	tonnes	498.3		70.1
Recycled	3	tonnes	14,910.2		162.8
Energy from waste	3	tonnes	1,194.9		25.5
Travel					
Vehicle - fleet - diesel	1	litres	817,932.2	8,146,604.7	2,082.5
Vehicle - fleet - petrol	1	litres	124,568.8	1,117,631.5	270.1
Vehicle - fleet - diesel - km	1	km	32,798.4	23,529.9	6.0
Vehicle - fleet - petrol - km	1	km	5,283.5	3,820.9	0.9
Vehicle - Grey fleet	3	km	727,105.2	502,655.1	124.6
Vehicle - Grey fleet - Petrol	3	km	267,294.3	188,173.2	45.4
Vehicle - Grey fleet - Diesel	3	km	287,321.0	172,659.9	44.1
Paper procurement					
Paper - Recycled Content	3	tonnes	0.2		0.2
Paper - Primary Content	3	tonnes	18.1		16.6
Total				**98,769,549.4**	**27,018.4**

Intensity Metric	**Total**	**Total tCO_2e**	**Intensity**
Turnover per £1m	580	27,018.4	46.6

Intensity Metric - Per business activity	**Total**	**Total tCO_2e**	**Intensity**
Head office operations - Per employee	623	2,688.0	4.3
Site Operations - per 1000 LAG hours	7,101	24,330.5	3.4

Energy Efficiency Actions

Buckingham Group Contracting Limited (Buckingham) is a major multi-disciplinary contractor undertaking construction projects in the Highway, Rail, Sports Stadia and Commercial and Industrial Development Sectors. Specific operations include Demolition, Land Remediation, Geotechnical Engineering, Civil Engineering, Structural Works, and Building Construction.

Buckingham's Head office operations has successfully certified to The Planet Mark for the reporting period 1 January 2020 – 30 December 2020. This is Buckingham's Head office operations twelfth year of certification. The Planet Mark is a sustainability certification which recognises continuous improvements, encourages action, and builds an empowered community of like-minded individuals.

Buckingham also made a commitment upon certification of The Planet Mark to achieve a minimum 2.5% reduction in their measured carbon footprint year on year.

Through the Planet Mark Buckingham has taken action to protect one acre of rainforest with Cool Earth.

Buckingham accepts its environmental compliance obligations and the Company is committed to operating as a forward thinking, responsible construction Company.

As a Company Buckingham fully recognise the impact our operations can have on the environment and are aware of the associated risks and opportunities.

Buckingham is committed to developing an environmentally sustainable approach to its activities to prevent pollution and to minimise any impact that its operations may have on the environment. Resources and arrangements are in place to manage the environmental and sustainability aspects of its operations.

Buckingham has a detailed environmental policy which is fundamental to its business strategy and by implementing this policy it strives to continually improve its ISO14001:2015 environmental management system.

Buckingham has implemented an energy management system in line with the ISO 50001:2011 standard for the management of significant energy impacts associated with the provision of civil engineering, building construction, land remediation and earthwork services.

During the reporting period Buckingham procured 18 new low emissions vehicles to add to the fleet, taking the total number in use at the end of the period to 22 vehicles. The Company is also continuously improving their own fleet replacing its vehicles every three years, utilising new technologies to reduce emissions with the current focus on zero emission electric vehicles.

Through 2020 a fully electric excavator and hydrogen powered generators were tested in site conditions. Hydrogen powered generators are now in use on several operational sites.

In line with Government and the Construction Leadership Council Guidelines the Company continued to operate safely with revised working methods and practices in place, at near full capacity, through the Covid-19 pandemic.

Through a significant investment in IT equipment and services, plans were implemented to facilitate home working for office and site staff as appropriate. Supporting home working has naturally reduced the volume of fleet miles travelled with an associated reduction in fuel use and CO_2 emissions.

Buckingham engages its staff through ongoing coaching and toolbox talks to continually educate employees on climate change and improving their environmental performance. This is carried out throughout the reporting year.

3.3.3 Net Zero Carbon Strategy

Buckingham is committed to meeting the Paris Agreement's goal of limiting global warming to well below 2.0°C, preferably to 1.5°C, compared to pre-industrial levels.

In establishing our high-level strategy, we have taken cognisance of both, the UK Government's net zero by 2050 goal and the targets defined and described by a number of our major customers.

The targets outlined in the graphic below:

- Have market credibility as robust, challenging goals and, importantly, are in line with the targets and goals defined by key customers
- Exceed the minimum thresholds (interim 2035 target) required to achieve the UK's national 2050 net zero goal as well as the UN's Race to Zero
- Are well aligned to the Buckingham Group ethos of delivering on its promises in a pragmatic and realistic way
- Are ambitious, but realistic, allowing Buckingham Group the benefit of moving to new technologies once they are reasonably well established, proven and costs have reduced

The carbon reductions shown in the preceding graphic are taken against the 2020 baseline measures.

The next stage of our approach is to develop, and implement over the coming months a 'Net Zero Carbon Strategy into Action' programme This programme will establish a roadmap and key initiatives to achieve the net zero carbon goal by the target dates.

This approach follows the Planet Mark's 'Zeroby30' net zero carbon programme proprietary methodology.

Zeroby30 is a business transformation advisory service that fast-tracks the creation of a holistic, actionable, and commercially viable roadmap to define how an organisation can reach net zero emissions by a specific date.

3.4 Customers

The Group Management Board re-affirmed the core strategic aims to, 'Increase the proportion of repeat business and negotiated work for clients who we respect and who respect us', to be delivered by:

- Retaining and reinforcing the 'Can Do' Customer focused values that have been the foundation of our success over 30 years
- Ensuring we understand and deliver our Clients' needs
- Saying 'no thank you', when appropriate, to poor opportunities and clients who want the cheapest offer over best value

Additionally, a further key element of our strategy is our goal to maintain and increase business resilience to specific market sector downturns.

3.5 Community and Social Value

On each of our projects, we assess and minimise the environmental impact of our construction activities. We develop and implement a bespoke management plan for liaison and engagement with local communities. The plan explains how we will undertake the project and our efforts to minimise the impacts upon the local community.

3.5.1 Social Value

Buckingham Group's Social Value Strategy is embraced within our overarching Corporate Social Responsibility (CSR) Policy & supported by our Sustainability & Sustainable Development Policy. This allows us to define Social Value within the context & definition of sustainable development in terms of environmental, social & economic responsibility. By taking & promoting a sustainable approach to our works we retain an inherent flexibility in identifying, maximising, & passing on the available Social Value benefits to our Clients & the communities in which we work.

Buckingham Group is a Corporate Partner with the 'Social Value Portal', a social enterprise, that provides support in identifying & measuring the additional Social Value delivered through our projects (and our own business as the infographic below) in terms that is meaningful & relevant for, ourselves and, our customers. The Social Value for an individual project, or business, is developed using a bespoke, project specific, Social Value Calculator. The Social Value Calculator attaches a financial benefit to each initiative (Theme, Output & Measure (TOM)) that is based on government/official statistics & informed by their expertise in the field.

3.5.2 Supporting Charities and Good Causes:

In addition to non-charitable donations, Donations totalling £18,259 were made to support a wide range of charities including The Buckingham Area Citizens Advice Bureau, Mind, Crisis and Cancer Research.

In addition, a range of donations of resources and benefits in kind, were made on several of the Company's projects.

It should be noted that the Buckingham 2020 Christmas Charity Challenge, naturally, embraced initiatives undertaken in 2020.

The total sum raised, £60,164, is, therefore, included within the 2020 Social Value report. For accounting purposes this value will be included in the 2021 Report and Accounts.

3.6 Supply Chain

Our strategic aim is to be the Main Contractor of choice for a safe, efficient and profitable Supply Chain to be delivered by:

- Continually enhancing our supply chain selection, strategy, communication and relationships
- Ensuring we enable and support our chosen subcontractors to perform to their abilities in delivering our requirements

In line with Government and Construction Leadership Council our operations continued, safely, through the Covid-19 Pandemic. This required close collaboration with our supply chain to develop, and implement, new working practices that maintained the requirement for social distancing. Ongoing initiatives that continued through 2020 included:

- Embracing our Supply Chain in our Behavioural Safety and Occupational Health and Wellbeing Programmes
- Engaging our supply chain in ongoing training and development with a focus on Safety / Behavioural Safety training and coaching

3.7 Governance and People

3.7.1 Corporate Ethics

The Company operates on a clear set of business ethics and corporate values set by the Directors including, above all, a positive approach to staff, customers, and suppliers. Through 2020, and as an ongoing initiative, our Directors have delivered well received, interactive presentations to all attendees at our various staff engagement opportunities re-affirming our traditional 'family' and corporate values.

3.7.2 Political Donations and Expenditure

No political donations were made, or expenditure incurred, throughout 2020.

3.7.3 Employment

Despite the inevitable peaks and troughs in workload of a contracting organisation, our Company policy seeks to minimise reliance on temporary workers and directly employ the clear majority of management, technical and administrative staff, and a significant core of our production workforce. We address the needs and aspirations of staff through the continuing development of diversity, work-life balance, occupational health/health and well-being policies and initiatives.

Wherever possible we seek to maximise local employment at our Head office, regional offices and on our projects. We work with our clients to understand the future needs of local people and local areas to ensure that the people we engage can be best equipped for future long-term employment. We are fully aware of the importance of our role, plus the support we receive from our Tier One/Two suppliers, in maximising opportunities for the training of young people and job creation for local people.

3.7.4 Disabled Employees - The Respect Agenda - Equality, Diversity, and Inclusion

Buckingham Group is an Equal Opportunities Employer. The Company is committed to equality and recognises the importance of ensuring equal opportunity and fair treatment in every aspect of our business. We are aware of our duties and responsibilities to ensure compliance with the Equality Act 2010.

3.7.5 Anti-slavery and Human Trafficking

Buckingham Group has embraced the requirements of the Modern Slavery Act 2015 within our Management Systems and Processes. We have produced a formal Anti-Slavery and Human Trafficking Policy Statement, and our sixth, Annual Statement, that is available on our web site, via a link from the Home Page.

Based on our risk assessments, we deem the risk of slavery or human trafficking occurring within Buckingham Group's direct employee population, or our agency/contract staff and subcontractors under our direct supervision, to be LOW. The, 'Low', Risk Assessment is supported, and evidenced, by the fact that, through 2020, we had:

- Zero reported cases or instances of Modern Slavery or Human Trafficking in any part of our business operations and, to the very best of our knowledge within any of our suppliers or subcontractors
- No issues raised, or reported, via the application and implementation of our Whistleblowing Policy and Procedures

3.8 Reporting

Compliance with our policy will be continuously monitored and subject to review by the Buckingham Group Board of Directors. CSR activity undertaken by Buckingham Group Staff will be reported to the Management Board on a regular (at least annual) basis.

4.0 Directors' Report

The directors present their report and the financial statements for the year ended 31st December 2020.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under Company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- Select suitable accounting policies and then apply them consistently
- Make judgments and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

Going Concern

Details of the Company's business activities and the factors likely to affect its future development, performance and financial position are set out in the Strategic Report.

The Board has undertaken a comprehensive review of the Company's forecasts for 2021 and 2022. As part of this review, the directors considered the potential impact of reasonable downside scenarios on the Company's base case forecast.

Based on the expected trading patterns, a strong balance sheet, the record level of secured workload, and the diverse pipeline of opportunities, the outlook for 2021 and beyond remains positive.

The Company meets its day-to-day working capital requirements through its cash reserves. As at 31 December 2020 it had £90 million of cash, no borrowings, and an unutilised overdraft facility of £5 million with HSBC. The directors' review of the Company's forecasts and projections show that the Company has sufficient headroom to support its operations for the period of assessment.

At the time of approving the financial statements, the directors consider that the Company has adequate resources to remain in operation for the foreseeable future and have no reason to believe that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. Accordingly, the financial statements have been prepared on the going concern basis of accounting.

Results and dividends

The results for the year ended 31 December 2020 and the year ended 31 December 2019 are shown in the Company's Statement of Comprehensive Income.

The profit before tax for the year ended 31 December 2020 was £8,614,000 (2019 - £10,206,000). The profit after tax for the year was £6,864,000 (2019 - £8,011,000).

Dividends totalling £1,343,000 (2019 - £1,822,000) were paid in the year.

Directors

The directors who served during the year were:

Mr T J Brown
Mr M T Kempley
Mr K Underwood
Mr P W Wheeler
Mr S D Walkley
Mr I M McSeveney
Mr A S Kerr
Mr R M Plant (Appointed 6 January 2020)

Future developments

Future developments have been described in Section 2 of this report.

Research and development

The Company is committed to the research and development of innovative techniques, construction methods, new materials, and energy efficiency in each of its operating sectors. The Company's senior managers, engineers and technical staff are also occasionally supported by various designers and technology specialists in delivering the technical advances.

Disclosure of information to Auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- So far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- That director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Indemnity provision

Under the Company's articles of association, any director is entitled to be indemnified by the Company (to the extent permitted by law) against any liability incurred by him in defending proceedings which relate to any acts or omissions in his capacity as an officer of the Company. In addition, the Company maintains insurance for the benefit of the directors in respect of such matters at levels which it considers appropriate.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 25th May 2021 and signed on its behalf.

M T Kempley
Chief Executive

5.0 Independent Auditor's Report to the Shareholders of Buckingham Group Contracting Limited

Opinion

We have audited the financial statements of Buckingham Group Contracting Limited (the 'Company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2020 and of its 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 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.

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 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 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.

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 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 set out on page 32, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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. Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to Covid-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to work in progress and cost accruals, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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 the audit 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.

Signed:

Stephen Eames

Stephen Eames (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
Buckinghamshire
MK9 1FF

Date 25th May 2021

6.0 Financial Statements

6.1 STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	2019 £000
Revenue	4	584,462	485,697
Cost of sales		(543,319)	(447,718)
Gross profit		41,143	37,979
Administrative expenses		(34,521)	(28,797)
Operating profit	5	6,622	9,182
Other income	6	1,751	750
Interest receivable and similar income	11	170	308
Profit/(loss) on disposal of fixed assets	5	71	(34)
Profit before tax		8,614	10,206
Tax on profit	12	(1,750)	(2,195)
Profit for the financial year		6,864	8,011
Other comprehensive income for the year			
Other comprehensive income/(expense)		88	(90)
Total comprehensive income for the year		6,952	7,921

6.2 BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £000		2019 £000
Fixed assets					
Intangible assets	14		534		365
Tangible assets	15		1,963		2,516
			2,497		2,881
Current assets					
Debtors: amounts falling due after more than one year	16	8,180		7,309	
Debtors: amounts falling due within one year	16	135,537		122,242	
Cash at bank and in hand	17	89,770		57,268	
		233,487		186,819	
Creditors: amounts falling due within one year	18	(189,000)		(147,445)	
Net current assets			44,487		39,374
Total assets less current liabilities			46,984		42,255
Creditors: amounts falling due after more than one year	19		(3,149)		(4,029)
Net assets			43,835		38,226
Capital and reserves					
Called up share capital	23		1		1
Profit and loss account	24		43,834		38,225
			43,835		38,226

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

M T Kempley
Chief Executive

Date: 25th May 2021

A Kerr
Group Finance Director

Date: 25th May 2021

The notes on pages 43 - 62 form part of these financial statements.

6.3 STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2019	1	32,142	32,143
Comprehensive income for the year			
Profit for the year	-	8,011	8,011
Other comprehensive (expense)	-	(90)	(90)
Total comprehensive income for the year	-	7,921	7,921
Dividends: Equity capital	-	(1,822)	(1,822)
Purchase of own shares	-	(16)	(16)
At 31 December 2019	1	38,225	38,226
Comprehensive income for the year			
Profit for the year	-	6,864	6,864
Other comprehensive income	-	88	88
Total comprehensive income for the year	-	6,952	6,952
Dividends: Equity capital	-	(1,343)	(1,343)
At 31 December 2020	1	43,834	43,835

6.4 STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £000	2019 £000
Cash flows from operating activities		
Profit for the financial year	6,864	8,011
Adjustments for:		
Amortisation of intangible assets	147	120
Depreciation of tangible assets	1,170	1,036
(Profit)/loss on disposal of tangible assets	(71)	34
Interest received	(170)	(308)
Taxation charge	1,750	2,195
(Increase) in trade and other receivables	(15,660)	(29,392)
Increase in trade and other payables	40,481	15,895
Other comprehensive income/(expense)	88	(90)
Other income	(1,287)	(750)
Net tax received/(paid)	1,225	(1,647)
Net cash generated/(absorbed) from operating activities	34,537	(4,896)
Cash flows from investing activities		
Purchase of intangible fixed assets	(316)	(264)
Purchase of tangible fixed assets	(619)	(1,434)
Sale of tangible fixed assets	73	1
Interest received	170	308
Net cash used in investing activities	(692)	(1,389)
Cash flows from financing activities		
Dividends paid	(1,343)	(1,822)
Purchase of own shares	-	(16)
Net cash used in financing activities	(1,343)	(1,838)
Net increase/(decrease) in cash and cash equivalents	32,502	(8,123)
Cash and cash equivalents at beginning of year	57,268	65,391
Cash and cash equivalents at the end of year	89,770	57,268
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	89,770	57,268

6.5 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General Information

Buckingham Group Contracting Limited ('the Company') is a private Company, limited by shares, incorporated in the United Kingdom. The address of its registered office and principal place of business is Black Pit Farm, Silverstone Road, Stowe, Buckingham, Buckinghamshire, MK18 5LJ. Company number 02181671.

The principal activity of the Company in the year under review was that of a civil engineering and building contractor including demolition, land remediation and railway engineering projects in the UK.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the Company operates.

Monetary amounts in these financial statements have been rounded to the nearest £'000.

2. Accounting Policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis. The Directors have reviewed the Company's financial position, performance and future development and believe the Company has adequate resources to continue in operational existence for the foreseeable future. Details of this review are set out in the Directors' report.

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes.

The following criteria must also be met before revenue is recognised:

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 balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. 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.

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, they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the Company will receive the consideration due under the contract;
- The stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- The costs incurred and the costs to complete the contract can be measured reliably

2.4 Intangible Assets

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

In the event that an internally generated intangible asset arises from the Company's development activities then it will be recognised only if all of the following conditions are met:

- An asset is created that can be identified such as software or a new process;
- The project which the asset arises meets the Company's criteria for assessing technical feasibility;
- It is probable that the asset created will generate future economic benefits and;
- The development cost of the asset can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Intangible Assets (Continued)

Amortisation is provided on the following basis:

- Software and licences - 3 years straight line basis
- Internally generated assets 3 - 7 years straight line basis

Amortisation is charged to admin expenses in the Statement of Comprehensive Income.

2.5 Tangible Fixed Assets

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

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

Depreciation is provided on the following basis:

- Survey equipment - 33% on cost
- Motor vehicles - 33% on cost
- Demolition equipment - 33% on cost
- Office portacabin - 20% to 33% on cost

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment. Long term balances are measured at amortised cost.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Foreign Currency Transactions

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

Foreign exchange gains and losses that relate to shares in joint ventures are presented in the Statement of Comprehensive Income within 'other comprehensive income'.

2.10 Finance Costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Interest Income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.14 Provisions for Liabilities

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.15 Current and deferred taxation

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

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

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

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

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

2.16 Research and development

Expenditure on research and development is expensed as it is incurred.

2.17 Share based payments

The Company reflects the economic cost of awarding shares and share options by recording an expense in the profit and loss account equal to the fair value of the benefit awarded, fair value being determined by reference to option pricing models. The expense is recognised in the Statement of Comprehensive Income over the vesting period of the award.

2. Accounting policies (continued)

2.18 Joint arrangements

The Company undertakes a number of business activities through joint arrangements. Joint arrangements exist when two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Company's joint arrangements are joint operations.

Joint operations are joint arrangements in which parties with joint control have rights to the assets and obligations for the liabilities relating to the arrangement. The activities of a joint operation are primarily designed for the provision of output to the parties to the arrangement indicating that:

- The parties have the rights to substantially all the economic benefits of the assets of the arrangement; and
- All liabilities are satisfied by the joint participants through their purchases of that output. This indicates, in substance, the joint participants have an obligation for the liabilities of the arrangement.

The financial statements of the Company include its share of the assets in joint operations, together with its share of the liabilities, revenues and expenses arising jointly or otherwise from those operations and its revenue derived from the sale of its share of the output from the joint operation. All such amounts are measured in accordance with the terms of each arrangement, which are usually in proportion to the Company's interest in the joint operation.

2.19 Government grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to the grant and the grant will be received.

A grant that becomes receivable as compensation for costs already incurred is recognised as income in the period in which it becomes receivable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key 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 discussed below.

Revenue recognition in respect of construction contracts
The Company uses the percentage of completion method to recognise project revenue for fixed price contracts. This method requires the directors to estimate the level of services performed at each reporting date as a proportion of the total services to be performed to complete the contract. Variations to estimates could result in the over or under recognition of revenue.

Recoverability of receivables
The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability, the directors consider factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

Determining residual values and useful economic lives of property, plant, and equipment
The Company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for plant, machinery, and equipment. When determining the residual value management aim to assess the amount that the Group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Revenue

An analysis of revenue by class of business is as follows:

	2020 £000	2019 £000
Contracting income	584,462	485,697

Analysis of revenue by country of destination:

	2020 £000	2019 £000
United Kingdom	584,462	480,449
Republic of Ireland	-	5,248
	584,462	485,697

5. Operating profit

The operating profit is stated after charging/(crediting):

	2020 £000	2019 £000
Depreciation of tangible fixed assets	1,170	1,036
Amortisation of intangible assets	147	120
(Profit)/loss on disposal of fixed assets	(71)	34
Research and development expenditure	9,167	6,250

6. Other income

	2020 £000	2019 £000
Government grants received – Furlough	463	-
Research and development tax credits	1,288	750
	1,751	750

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7. Auditor's remuneration

	2020 £000	2019 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	65	52
Fees payable to the Company's auditor in respect of:		
Taxation compliance services	-	5
	-	5

8. Employees

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

	2020 £000	2019 £000
Wages and salaries	33,707	30,543
Social security costs	3,809	3,704
Cost of defined contribution scheme	3,324	2,817
	40,840	37,064

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

	2020 No.	2019 No.
Contract	498	453
Administration	125	120
	623	573

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Directors' remuneration

	2020 £000	2019 £000
Directors' emoluments	1,281	1,037
Company contributions to defined contribution pension schemes	114	49
	1,395	1,086

During the year retirement benefits were accruing to 5 directors (2019: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £243,650 (2019: £229,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £22,455 (2019: £22,000).

During the year no directors received shares under the long term incentive schemes (2019: £Nil).

10. Remuneration of key management personnel

Key management personnel comprise the executive directors as well as members of the senior management board (excluding that set out for the directors above), sector and departmental heads. Their aggregate remuneration was as follows:

	2020 £000	2019 £000
Wages and salaries	3,371	3,112
Social security costs	389	358
Staff pension costs	186	163
	3,946	3,633

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Interest receivable

	2020 £000	2019 £000
Other interest receivable	170	308

12. Taxation

	2020 £000	2019 £000
Corporation tax		
Current tax on profits for the year	1,713	1,986
Adjustments in respect of previous periods	33	166
Total current tax	1,746	2,152

12. Taxation (continued)

	2020 £000	2019 £000
Deferred tax		
Origination and reversal of timing differences	4	43
Total deferred tax	4	43
Taxation on profit on ordinary activities	1,750	2,195

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	8,614	10,206
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,637	1,939
Effects of:		
Expenses not deductible for tax purposes	46	51
Depreciation disallowable for tax purposes	73	46
Adjustments in respect of prior periods - current tax	33	166
Adjust deferred tax rate	-	(6)
Other differences leading to a (decrease) in the tax charge	(39)	(1)
Total tax charge for the year	1,750	2,195

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

13. Dividends

	2020 £000	2019 £000
Dividends paid	1,343	1,822

14. Intangible assets

	Software Management System £000
Cost	
At 1 January 2020	950
Additions	316
At 31 December 2020	1,266
Amortisation	
At 1 January 2020	585
Charge for the year	147
At 31 December 2020	732
Net book value	
At 31 December 2020	534
At 31 December 2019	365

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

15. Tangible fixed assets

	Plant and vehicles £000	Office equipment £000	Office portacabins £000	Survey equipment £000	Total £000
Cost or valuation					
At 1 January 2020	744	208	2,772	2,266	5,990
Additions	-	302	34	283	619
Disposals	(20)	-	-	(159)	(179)
At 31 December 2020	724	510	2,806	2,390	6,430
Depreciation					
At 1 January 2020	584	41	1,390	1,459	3,474
Charge for the year on owned assets	94	139	516	421	1,170
Disposals	(20)	-	-	(157)	(177)
At 31 December 2020	658	180	1,906	1,723	4,467
Net book value					
At 31 December 2020	66	330	900	667	1,963
At 31 December 2019	160	167	1,382	807	2,516

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

16. Debtors

	2020 £000	2019 £000
Due after more than one year		
Amounts recoverable on long term contracts	8,180	7,309
Due within one year		
Trade debtors	57,167	48,562
Amounts owed by related parties	500	1,646
Other debtors	432	336
Prepayments	2,173	1,700
Amounts recoverable on long term contracts	75,265	68,504
Tax recoverable	-	1,494
	135,537	122,242

17. Cash and cash equivalents

	2020 £000	2019 £000
Cash at bank and in hand	89,770	57,268

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

18. Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	120,487	93,325
Amounts owed to joint venture arrangements	211	307
Other taxation and social security	4,596	2,871
Corporation tax	191	-
Amounts payable in relation to long-term contracts	62,076	49,068
Accruals and deferred income	1,431	1,870
Deferred tax	8	4
	189,000	147,445

19. Creditors: amounts falling due after more than one year

	2020 £000	2019 £000
Amounts payable in relation to long-term contracts	3,149	4,029

The Company's bankers, HSBC, hold a fixed and floating charge, dated 17 February 2012, over the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant & machinery.

20. Financial instruments

	2020 £000	2019 £000
Financial assets		
Financial assets measured at fair value through profit or loss	89,770	57,268
Financial assets that are debt instruments measured at amortised cost and consisting of trade debtors and other receivables	141,543	126,357
	231,313	183,625

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

20. Financial instruments (continued)

	2020 £000	2019 £000
Financial liabilities		
Financial liabilities measured at amortised cost and consisting primarily of trade creditors and other payables	(184,205)	(148,599)
	(184,205)	(148,599)

21. Deferred taxation

	2020 £000
At beginning of year	(4)
Originated during the year	(4)
At end of year	(8)

The deferred tax (liability) is made up as follows:

	2020 £000	2019 £000
Accelerated capital allowances	(63)	(46)
Short term timing differences	55	42
	(8)	(4)

22. Commitments under operating leases

Total future minimum lease payments under non-cancellable operating leases in respect of land and buildings are as follows:

	2020 £000	2019 £000
Within one year	423	393
Between one and five years	578	839
	1,001	1,232

23. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
4,500,000 - 'A1' Ordinary shares of £0.0001 each	450	450
5,500,000 - 'B' Ordinary shares of £0.0001 each	550	550
700,000 - 'A2' shares of £0.0001 each	70	70
75,000 - 'A3' shares of £0.0001 each	7	7
75,000 - 'A4' shares of £0.0001 each	8	8
	1,085	1,085

All shares rank pari passu.

During the year nil A3 shares were purchased (2019: 75,000 A3 shares were purchased for a consideration of £15,750 and the shares cancelled).

24. Reserves

The profit and loss reserve represents profits and losses retained in previous and current periods, after the payment of dividends.

25. Share based payments

The Company operates a Company share option plan for the benefit of some senior managers. Details of the options issued under the plan are set out below:

	Number 2020	Number 2019
Outstanding at the beginning of the year	670,000	670,000
Granted during the year	-	-
Forfeited during the year	(40,000)	-
	630,000	670,000

655,000 options were granted on 4 December 2014 at an exercise price of 21p each. A further 175,000 options were granted on 13th May 2016 at an exercise price of 95p each. All of these options expire 10 years from the date of grant and can be exercised upon a trade sale, business sale or flotation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

26. Pension commitments

The Company operates a defined contribution pension scheme for all employees of the company. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £3,324,000 (2019 - £2,817,000). Contributions totalling £292,000 (2019 - £256,000) were payable to the fund at the balance sheet date.

27. Related party transactions

During the year the Company entered into trading transactions with both Buckingham Plant Hire Limited, which has a common director with the Company, and Adams Cundell Engineers Limited, which is a 100% subsidiary of Buckingham Plant Hire Limited, also having a common director.

	2020	2019
	£000	£000
Sales to Buckingham Plant Hire Limited	62	64
Sales to Adams Cundell Engineers Limited	Nil	Nil
Interest received from Buckingham Plant Hire Limited	31	30
Purchases from Buckingham Plant Hire Limited	9,517	8,413
Purchases from Adams Cundell Engineers Limited	2,953	2,435

At the reporting date the following trade balances were outstanding:

	2020	2019
	£000	£000
Trade payables		
Buckingham Plant Hire Limited	1,536	1,442
Adams Cundell Engineers Limited	584	447
Trade receivables		
Buckingham Plant Hire Limited	18	9
Loan receivables		
Buckingham Plant Hire Limited	500	1,500

The balance owed to the Company by Ian McSeveney, a director, was fully repaid by 30th September 2020 (2019 - £146,000). No balances are owed by any directors as at 31st December 2020.

28. Controlling party

The ultimate controlling party of the Company, by way of majority shareholding, is Mr P Wheeler.