

Tamdown Group Limited

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**



Registered Number: 01268060 (England and Wales)

Tamdown Group Limited

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Tamdown Group Limited

Directors, officers and advisers

Directors	M A Cain R L Kendal B Maile A C Martin M T Morris C A Sweeney S L Darville-Downs
Company secretary	D R Hillman
Registered number	01268060
Registered office	Nexus Park Avenue East Skyline 120 Great Notley Braintree Essex CM77 7AL
Independent auditors	PricewaterhouseCoopers LLP The Maurice Wilkes Building St. John's Innovation Park Cowley Road Cambridge CB4 0DS

Tamdown Group Limited

Strategic Report

For the year ended 30 September 2022

Business review

The principal activity of Tamdown Group Limited is the provision of essential infrastructure services to the UK housebuilding and commercial sectors.

Tamdown performed well throughout the year, with revenues increasing significantly in the first half of the year, compared to revenue recorded in the second half of the previous year. Revenue continued to grow in the second half of the current financial year, during Tamdown's traditionally busy trading period. The strong revenue growth is attributed to an acceleration of activity from the opening order book and from newly won contracts during the year. Overall revenue increased in the year by 26.1% to £98.4m (2021: £78.0m).

The gross margin for the year has improved by 270 basis points to 7.9% (2021: 5.2%), with newly won contracts driving the gross margin improvements. The overall margin reflects old contracts impacted by additional costs incurred in previous years due to delays and less productive working periods, principally due to Covid-19. Whilst the operating environment continues to be characterised by input cost inflation, primarily in materials, energy and labour, the business is committed to taking the necessary actions to protect and maintain its margins. The gross margin will continue to show improvement as these older contracts complete. Gross profit for the period totalled £7.8m, an increase of 92.6% on the prior year (2021: £4.0m).

Tamdown continues to maintain a tight control of costs, with administrative expenses, excluding the impact of exceptional items, being held broadly in line with revenue increases at £7.1m (2021: £4.8m).

The operating profit for the year totalled £0.7m, being a £2.7m improvement on the prior year's operating loss, prior to the exceptional item, of £0.6m. The prior year operating profit of £0.7m included an exceptional profit of £1.3m relating to the sale of Tamdown's former office, which became surplus to requirements following the move to Nexus Park. There are no exceptional items in the current year's results.

Tamdown has been active and competitive in the market, negotiating and winning work from our extensive customer base, leveraging our continued strong relationships and reputation for quality work. Tamdown has been successful in securing new business throughout the year, and even with the acceleration of delivery on site, the order book increased by 12% over the year to £95.5m (2021: £85.3m).

Net assets at the end of the year are £14,313,000 (2021: £13,835,000).

Tamdown Group Limited ambitions are to return to yielding profits in a sustainable manner through the successful delivery of its strategic goals including margin enhancement, multiphase projects, market penetration and customer diversification.

Key performance indicators

Our financial key performance indicators are:

Revenue measure – The strength of revenue is an important measure of the success of the business plan.

- Revenue £98.4m (2021: £78.0m) – a 26.1% increase in the year

Profit measures – The gross profit margin and operating profit are important measures of the implementation of the business plan.

- Gross profit margin 7.9% (2021: 5.2%)
- Operating profit £0.7m (2021: £0.7m loss)

Tamdown Group Limited

Strategic Report (continued)

For the year ended 30 September 2022

Key performance indicators (continued)

Cash measure – The net cash balance (Cash and cash equivalents less Borrowings) is a measure of the strength of the statement of financial position and to confirm that the Company has the funds necessary to fulfil its growth strategy.

- Net cash balance £1.3m (2021: £0.9m) – an increase of £0.4m in the year.

Forward sales measure – The strength of the Company's forward sales is an important measure of the Company's expected future success.

- Order book £95.5m (2021: £85.3m) – an increase of £10.2m.

Our non-financial key performance indicators are:

Environmental – We have maintained our ISO 50001 certification for energy management and our ISO 14001 certification for our environmental management system and continue to apply these across the business. Our on-going environmental objectives for the Company are to educate our workforce, reduce waste, increase the recycling of materials, reduce emissions and reduce energy consumption.

- No incidents or prosecutions for this year (2021: Nil) alongside external audits from the Environment Agency and BSI show that the Company remains compliant and competent.

Health and Safety - Health and Safety is a core value rather than a competing priority as it sits central to our business offering, its integral to how we are structured, how we plan, organise and execute our work. We have a best in class industry accredited safety management system and our accident performance is significantly better than industry average. Our vision for Health and Safety centres around our desire for everyone to go home safely every day and this ambition drives our commitment towards further continuous improvement across the business. We have produced an improvement plan relative to key strategic areas of safety management – culture, compliance, competence, consistency, communication and care, this plan sets out the timely actions, engagement and operational initiatives that will support and facilitate this.

- No major incidents or prosecutions for this year (2021: Nil) alongside external audits from clients and the British Standards Institution ("BSI") show that the Company remains compliant and competent.
- In recognition of our safety performance we were awarded our 4th prestigious RoSPA Presidents Award, along with 3 consecutive Gold Awards.
- We maintained our certifications for ISO 45001, through independent regular audits by BSI.

Section 172(1) statement

Under section 172(1) of the Companies Act 2006 (section 172), the Directors are required to act in a way that they consider, in all good faith, would most likely promote the success of the Company. This success must be for the benefit of the Company's shareholder but also for all other stakeholders.

From the perspective of the Directors, as a result of the Group governance structure, whereby two of the Company's Directors are also the Group Executive Directors and, the Company being the largest UK subsidiary in the Group representing over 57% of the Group's external revenue, the matters that the Directors are responsible for considering under section 172 have been considered to an appropriate extent by the Group Board in relation to both the Group and the Company. The Directors have also considered relevant matters where appropriate. To the extent necessary for an understanding of the development, performance and position of the Company, an explanation of how the Group Board has considered matters set out in section 172 is set out within the Governance section of the 2022 Nexus Infrastructure plc Annual report.

Tamdown Group Limited

Strategic Report (continued)

For the year ended 30 September 2022

Section 172(1) statement (continued)

Also, detailed information of how the Directors have supported the Company's employees is included in employee engagement within the Governance section of the Nexus Infrastructure plc Annual report.

The Directors have considered all the Company's stakeholders and the long-term consequences of the decisions taken when assessing the level of dividends to pay.

Principal risks and uncertainties

The principal risks of the business comprise:

Credit Risk - Company policies are aimed at minimising exposure to bad debt by reviewing the credit rating of existing customers on a regular basis and having a very robust selection process on all tenders with new customers.

Competitive Risk - The Company operates in a competitive sector; the infrastructure and engineering services industry is a highly competitive market and the Company faces strong competition from companies with established delivery capabilities.

Dependence on general economic climate - The Company's operating results are dependent, to a large extent, upon the state of the economy. Economic weakness and uncertainty may result, in the future, in decreased revenue, gross margin, and earnings or growth rates.

The Company's business is exposed to fluctuations in the UK's property market - The Company's business is largely focused in the residential sector. There are a number of factors beyond the Company's control that could adversely affect the residential construction market and the number of homes being built.

Availability of materials, subcontractors and suppliers - The Company's business is dependent upon the availability of materials and the availability, competence and consistency of subcontractors and skilled labour. An increase in the cost of materials could adversely affect the Company's margins, while a decrease in availability could lead to projects being delayed or, at the worst case, frustrated. At the same time, such changes could affect the Company's ability to submit appropriate tenders at the appropriate price level.

The ability to recruit and retain, key personnel - The Company's success depends on its ability to recruit, retain and motivate high-quality senior management and other personnel with extensive experience and knowledge of the construction industry.

Contractual Risk - The Company works under a number of contract forms subject to sector and client. The contracts may be very complex, have effect over a long period of time and be subject to terms which we regard as onerous. We therefore assess each contract prior to commencement to agree content and mitigate risk. Our long-term relationships and familiarity with most contract types are significant factors in managing this risk.

This report was approved by the board and signed on its behalf.



A Martin
Director

Date: 2 February 2023

Tamdown Group Limited

Directors' Report

For the year ended 30 September 2022

The Directors present their report and the audited financial statements for the year ended 30 September 2022.

The Company is a private limited company and is incorporated and domiciled in the UK. For further details on the Directors, officers and advisors please refer to page 2.

Transition to FRS 101 – During the year the Company transitioned to FRS 101 'Reduced Disclosure Framework' from IFRS and applied a number of exemptions from the requirements of IFRS in the preparation of these financial statements. These are detailed in the notes to the financial statements.

Results and dividends

The profit for the year, after taxation, amounted to £632,000 (2021: £1,076,000 loss).

The Directors recommended and paid a dividend of £154,000 (2021: Nil).

Directors

The Directors of the Company who were in office during the year and up to date of signing the financial statements were:

J K Brett (resigned 1 October 2021)
M A Cain
R L Kendal
B Maile (appointed 1 October 2022)
A C Martin
M T Morris
C A Sweeney
S L Darville-Downs

Directors' indemnity

Directors risk personal liability under civil and criminal law for many aspects of the Company's business decisions. The Company believes that it is in the best interests of the Company to protect the individuals concerned from the consequences of innocent error or omission. Therefore, the Company has provided qualifying third party indemnity provisions in respect of Directors and senior officers who were in force during the year and at the date of this report. The Company has taken out Directors' indemnity insurance to cover any losses arising as a result of this indemnity.

Going concern

The Directors have undertaken a future cash flow analysis and have a letter of support from Nexus Infrastructure plc. As a result, the Directors have a reasonable expectation that the Company has adequate resources to meet its liabilities with the support of the parent and other Group companies as they arise for at least twelve months from the approval of these financial statements and, consequently, the Directors have adopted the going concern basis of accounting in the preparation of these financial statements.

Employee involvement

Working for any of the companies within the Nexus Infrastructure Group is a rewarding place to be. We spend a lot of time at work and we know the importance of spending that time working towards a common purpose. For us that purpose is Building Bright Futures. We offer a wide range of apprenticeship development programmes from entry level through to higher level degree apprenticeships.

We also encourage leadership and development with executive coaching, management coaching and ILM level 3 and 5 accreditations.

We continue to invest in development and recruitment of our employees, we have bi-annual performance and development reviews with our employees together with bespoke career and development plans.

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Directors' Report (continued)

For the year ended 30 September 2022

Disabled employees

The Directors give special attention to the health and safety of their employees and endeavor to ensure that as far as possible recruitment, training, career development and promotion of disabled persons is the same as for other employees. Should employees become disabled, every effort is made to ensure that their employment continues, and appropriate retraining is received.

Equality and diversity

The Directors consider the principles of equality and diversity to be extremely important. All applications for employment are considered fully based on the skills to carry out the job, irrespective of sex, sexual orientation, race, colour, age, disability, nationality or marital/civil partnership status. Full consideration is given to the diverse needs of our employees and potential recruits.

Environmental, Social and Governance

Giving things back to our local and wider communities remains a core value for our business. Our ESG policy covers our relationships with education, charities, our employees' quality of life and their environment. We carry out, attend and support numerous events throughout the year and intend to continue and improve on this as the business grows.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

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Directors' Report (continued)

For the year ended 30 September 2022

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Independent auditors

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

This report was approved by the board on 2 February 2023 and signed on its behalf by:



A C Martin
Director

Independent auditors' report to the members of Tamdown Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, Tamdown Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: statement of financial position as at 30 September 2022; statement of comprehensive income and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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.

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.

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

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

Reporting on other information

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

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 30 September 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated 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 management override of controls, risk of fraud in revenue recognition and contract accounting. Audit procedures performed by the engagement team included:

- discussions with management and those charged with governance, including known or suspected instances of non-compliance with laws and regulations and fraud.

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- identifying and testing unusual journal entries, in particular certain journal entries posted with unusual account combinations
- designing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing
- assessing assumptions and judgements made by management in their significant accounting estimates, in particular in relation to revenue recognition and contract accounting.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

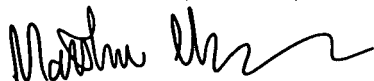
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Matthew Mullins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
2 February 2023

Tamdown Group Limited

Statement of comprehensive income

For the year ended 30 September 2022

	Note	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Revenue	4	98,392	78,047
Cost of sales		(90,618)	(74,010)
Gross profit		7,774	4,037
Administrative expenses		(7,052)	(4,900)
Other operating income	5	-	120
Operating profit/(loss) before exceptional items		722	(2,009)
Exceptional items	8	-	1,266
Operating profit/(loss)	6	722	(743)
Finance income	9	4	-
Finance expense	9	(17)	(29)
Profit/(loss) before tax		709	(772)
Tax on profit/(loss)	10	(77)	(304)
Profit/(loss) and total comprehensive income/(expense) for the year		632	(1,076)

The notes on pages 15 to 26 form part of the financial statements and accounting policies.

Tamdown Group Limited

Statement of financial position

As at 30 September 2022

Company number: 01268060

	Note	30 September 2022 £'000	30 September 2021 £'000
Non-current assets			
Property, plant and equipment	11	32	80
Right of use assets	12	333	519
Investments	13	-	-
Deferred tax asset	14	33	31
Total non-current assets		398	630
Current assets			
Trade and other receivables	15	35,562	34,642
Contract assets	4	8,120	7,859
Corporation tax asset		26	26
Cash and cash equivalents		1,314	944
Total current assets		45,022	43,471
Total assets		45,420	44,101
Current liabilities			
Trade and other payables	16	27,252	25,122
Contract liabilities	4	3,543	4,654
Lease liabilities	12	151	177
Corporation tax		-	-
Total current liabilities		30,946	29,953
Non-current liabilities			
Lease liabilities	12	161	313
Total non-current liabilities		161	313
Total liabilities		31,107	30,266
Net assets		14,313	13,835
Equity			
Called up share capital	17	-	-
Retained earnings		14,313	13,835
Total equity		14,313	13,835

The financial statements on pages 12 to 26 were approved by the Board of Directors on 2 February 2023 and signed on its behalf by:


A C Martin
Director

The notes on pages 15 to 26 form part of the financial statements and accounting policies.

Tamdown Group Limited

Statement of changes in equity For the year ended 30 September 2022

	Note	Share capital £'000	Retained earnings £'000	Total £'000
Equity as at 1 October 2020		-	14,911	14,911
Transactions with owners				
Dividend paid	18	-	-	-
Total comprehensive expense				
Loss for the year		-	(1,076)	(1,076)
Equity as at 30 September 2021		-	13,835	13,835
Transactions with owners				
Dividend paid	18	-	(154)	(154)
Total comprehensive income				
Profit for the year		-	632	632
Equity as at 30 September 2022		-	14,313	14,313

There are no other items in comprehensive income other than loss for the prior year.

The notes on pages 15 to 26 form part of the financial statements and accounting policies.

Tamdown Group Limited

Notes to the financial statements

1. Accounting policies

General information

The principal activity of Tamdown Group Limited is the provision of essential infrastructure services to the UK housebuilding and commercial sectors.

The Company is a private limited company (limited by shares) and is incorporated and domiciled in the UK. The address of the registered office is Nexus Park, Avenue East, Skyline 120, Great Notley, Braintree, Essex, CM77 7AL.

The registered number of the Company is 01268060.

Basis of preparation

The financial statements are for the year ended 30 September 2022. They have been prepared in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and are presented in sterling rounded to the nearest thousand except where indicated otherwise.

The principal accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The Company is a wholly owned subsidiary of Nexus Infrastructure plc and is included in the consolidated financial statements of Nexus Infrastructure plc which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of Section 400 of the Companies Act 2006.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial instruments: Disclosures';
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (statement of cash flows information); and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

Tamdown Group Limited

Notes to the financial statements

1. Accounting policies (continued)

Going concern

The Directors have undertaken a future cash flow analysis and have a letter of support from Nexus Infrastructure plc. As a result, the Directors have a reasonable expectation that the Company has adequate resources to meet its liabilities with the support of the parent and other Group companies as they arise for at least twelve months from the approval of these financial statements and, consequently, the Directors have adopted the going concern basis of accounting in the preparation of these financial statements.

New and amended standards adopted by the Company

Other than adopting FRS 101 for the first time during the year, previously IFRS, the Company has not applied any new standards, interpretations and amendments for their annual report period commencing 1 October 2021.

Standards, interpretations and amendments in issue but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2022 reporting periods and have not been adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods.

Revenue recognition

Revenue, which excludes value added tax, comprises value of work executed during the year on construction contracts based on monthly valuations.

In line with IFRS 15 the Company recognises revenue based on the application of the standard's principle-based 'five step' model to the Groups contracts with customers.

The performance obligations and transaction price are determined within contracts between the customer and the Company. Each contract has one performance obligation, the provision of specific construction activities for both residential and commercial developments. Contract modifications are added to existing contracts when they are extensions to the original contracts. There are no variable consideration elements attached to any of the contracts. The revenue is recognised over time as the Company's performance of its obligations creates or enhances an asset that the customer controls. Payment of the transaction price is typically due in a number of stage payments throughout the contract.

Revenue is recognised over the period of the contract by reference to the stage of completion. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each.

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

"Contract assets" (as discussed in IFRS 15.107) are recognised when the Company recognises revenue before the customer pays consideration or before payment is due. This asset is assessed for impairment in accordance with IFRS 9.

"Contract liabilities" (as discussed in IFRS 15.106) are recognised if a customer pays consideration before the entity transfers a good or service.

Retirement benefits: defined contribution schemes

Obligations for contributions to the defined contribution scheme are charged to the statement of comprehensive income in the year to which they relate.

Exceptional items

Items that are unusual or infrequent in nature are presented in the statement of comprehensive income as exceptional items.

Government grants

Government grants relating to income are recognised in the statement of comprehensive income and are offset against the costs they are intended to compensate.

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Notes to the financial statements

1. Accounting policies (continued)

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Depreciation is provided on all items of property, plant and equipment so as to write off their carrying value over the expected useful economic lives. It is provided at the following rates:

- Freehold property - 2.5% straight line
- Fixtures and fittings - 2-4 years straight line
- Leasehold improvements - over the life of the lease

Investments

The Company has investments in subsidiaries which are carried at deemed cost., less impairment.

Share capital and retained earnings

Ordinary shares are classified as equity. Incremental costs attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Retained earnings are classified as equity.

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability which is a contractual obligation to deliver cash or similar to another entity or a potentially unfavourable exchange of financial assets or liabilities with another entity.

Dividends

Final equity dividends to the shareholders of Tamdown Group Limited are recognised in the period that they are approved by shareholders. Interim equity dividends are recognised in the period that they are paid.

Dividends receivable are recognised when the Company's right to receive payment is established.

Leased assets

The Company recognises a right of use asset with a corresponding liability at the date at which the leased asset is available for the use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period. The right of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments and penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the rate implicit in the lease. If the rate cannot be determined, the Company's incremental borrowing rate is used, being the rate the Company would have to pay to borrow the funds necessary to obtain an asset of similar value.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of comprehensive income.

Tamdown Group Limited

Notes to the financial statements

1. Accounting policies (continued)

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the date of the statement of financial position, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base.

The recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2. Critical accounting estimates and judgements

The Company makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and judgements:

- recoverability of debt and contract assets - as part of the process of gaining new business it is necessary to carry out checks on the organisations for which the Company will carry out work. The value of individual contracts is substantial, and the risk of default is always present, so the estimates made of the non-recoverability of the debt and any expected credit losses by the Directors is critical. See note 15 for future details.; and
- profitability of contracts – individual contracts are negotiated so as to provide a reasonable return to the Company. The calculation of the margin to be achieved and the pricing set by the Directors is of paramount importance to the success of the Company. The Directors make an accounting estimate which is an assessment on the profitability and margin of contracts.

3. Capital management

The Company's capital is made up of share capital and retained earnings totalling £14,313,000 (2021: £13,835,000).

The capital structure of the Company consists of shareholders equity as set out in the statement of changes in equity. All working capital requirements are financed from existing cash resources.

Tamdown Group Limited

Notes to the financial statements

4. Revenue

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Revenue	98,392	78,047
Inter-company revenue	-	(723)
Revenue from external customers	98,392	77,324
Timing of revenue recognition		
Over time	98,392	77,324
Client type		
Residential	98,392	76,233
Non residential	-	1,091
	98,392	77,324

The Company has recognised the following assets and liabilities related to contracts with customers:

	30 September 2022 £'000	30 September 2021 £'000
Contracts assets		
Accrued income	8,120	7,859
Total	8,120	7,859

The increase in contract assets during the year is due to timing of applications to external customers and materials held on site for imminent works.

	30 September 2022 £'000	30 September 2021 £'000
Contracts liabilities		
Deferred income	1,337	2,472
Contract cost accruals	2,206	2,182
Total	3,543	4,654

The following table shows how much of the revenue from external customers relates to the contract liabilities at the beginning of the year:

	30 September 2022 £'000	30 September 2021 £'000
	2,787	2,037

Tamdown Group Limited

Notes to the financial statements

4. Revenue (continued)

Management expects that £62,250,000 representing 65.2% (2021: £59,817,000 representing 70.1%) of the transaction price allocated to unsatisfied performance obligations as at 30 September 2022 will be recognised within one year and the remaining £33,235,000 representing 34.8% (2021: £25,472,000 representing 29.9%) within two to five years.

The Company has not recognised any assets in relation to costs to fulfil a contract.

5. Other operating income

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Research and development expenditure credit	-	120

6. Operating profit/(loss)

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

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Depreciation:		
Depreciation of owned assets	46	71
Depreciation of right of use assets	186	274
Profit on disposal of assets	-	(1,249)
Audit and non-audit services:		
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	86	67

The services of the auditors were provided by Nexus Infrastructure plc with specific recharge to Tamdown Group Limited.

7. Staff cost

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Wages and salaries	3,180	3,095
Social security costs	376	357
Other pension costs	43	39
	<u>3,599</u>	<u>3,491</u>

Tamdown Group Limited

Notes to the financial statements

7. Staff cost (continued)

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Directors remuneration (Included in staff costs above)		
Remuneration	497	703
Pension costs	4	5
	<u>501</u>	<u>708</u>
Highest paid Director		
Remuneration	233	200
Pension costs	1	1
	<u>234</u>	<u>201</u>

	Year ended 30 September 2022 Headcount	Year ended 30 September 2021 Headcount
Site workers	1	1
Administrative	47	49
	<u>48</u>	<u>50</u>

8. Exceptional items

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Profit on sale of Head Office building	-	(1,266)
	<u>-</u>	<u>(1,266)</u>

Exceptional Items in prior year relate to the disposal of office building.

Tamdown Group Limited

Notes to the financial statements

9. Finance income and expense

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Finance income		
Interest on bank deposits	4	-
Finance expense		
Interest on finance leases	17	29
Finance expense (net)	(13)	(29)

10. Tax on profit/(loss)

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Current Tax:		
UK corporation tax on profits for the year	79	-
Adjustment in respect of prior periods	-	281
Total current tax	79	281
Deferred Tax:		
Origination and reversal of timing differences	(2)	8
Adjustment in respect of prior periods	-	24
Effect of tax rate change on opening balance	-	(9)
Taxation	77	304

The tax assessed for the year is more than (2021: more than) the standard rate of corporation tax as applied in the UK. The differences are explained below:

Profit/(loss) before tax	709	(772)
Profit/(loss) before tax multiplied by the respective standard rate of corporation tax applicable in the UK (19.0%) (2021: 19.0%)	135	(147)
Effects of:		
Fixed asset differences	2	(237)
Group relief	(91)	255
Non-deductible expenses	42	42
Other tax adjustments, reliefs and transfers	(10)	109
Income not taxable for tax purposes	-	(23)
Adjustment in respect of prior periods	-	281
Adjustment in respect of prior periods – deferred tax	(1)	24
Taxation	77	304

The tax charge for the prior period included an adjustment in respect of prior periods. This charge was in relation to the allocation of depreciation between assets eligible for capital allowances and finance leases within other Group companies.

Tamdown Group Limited

Notes to the financial statements

11. Property, plant and equipment

	Freehold property £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 October 2020	627	658	396	1,681
Additions	-	-	66	66
Disposals	(627)	-	(304)	(931)
At 30 September 2021	-	658	158	816
Additions	-	-	-	-
Disposals	-	-	(2)	(2)
At 30 September 2022	-	658	156	814
Accumulated depreciation				
At 1 October 2020	302	658	310	1,270
Charge for the year	16	-	55	71
Disposals	(318)	-	(287)	(605)
At 30 September 2021	-	658	78	736
Charge for the year	-	-	46	46
Disposals	-	-	-	-
At 30 September 2022	-	658	124	782
Net book value				
At 30 September 2021	-	-	80	80
At 30 September 2022	-	-	32	32

12. Right of use assets and lease liabilities

The statement of financial position shows the following information relating to leases:

	30 September 2022 £'000	30 September 2021 £'000
Right of use assets		
Freehold property	332	512
Motor vehicles	1	6
Fixtures and fittings	-	1
	<u>333</u>	<u>519</u>
Lease liabilities		
Current	151	177
Non-current	161	313
	<u>312</u>	<u>490</u>

Additions to the right of use assets during the year was nil (2021: £190,000). Disposals of nil were recorded (2021: £172,000).

Tamdown Group Limited

Notes to the financial statements

12. Right of use assets and lease liabilities (continued)

The statement of comprehensive income shows the following amounts relating to leases:

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Depreciation		
Freehold property	180	242
Motor vehicles	5	20
Fixtures and fittings	1	12
	<u>186</u>	<u>274</u>
Interest expense	17	29

The total cash outflow for leases during the year was £177,000 (2021: £300,000).

The present value of lease liabilities is as follows:

	30 September 2022 £'000	30 September 2021 £'000
Within 1 year	162	192
Two to five years	170	332
Future finance charge on lease liabilities	(20)	(34)
Present value of lease liabilities	<u>312</u>	<u>490</u>

13. Investments

The following are subsidiaries of Tamdown Group Limited, which owns 100% of the share capital of the subsidiaries, all of which are registered in England and Wales.

	Class of shares	Activity
Tamdown Services Limited	Ordinary	Supply of labour to the construction industry
Tamdown Plant Hire Limited	Ordinary	Engineering plant hire

The registered address of all subsidiaries is Nexus Park, Avenue East, Skyline 120, Great Notley, Braintree, Essex, CM77 7AL.

14. Deferred tax asset

	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
Accelerated capital allowances		
Brought forward	31	53
Charge for the year	2	(22)
	<u>33</u>	<u>31</u>

Tamdown Group Limited

Notes to the financial statements

15. Trade and other receivables

	30 September 2022 £'000	30 September 2021 £'000
Trade receivables from customers with contracts	28,906	24,816
Amounts due from Group companies	5,731	8,871
Other receivables	722	762
Prepayments	203	193
	<u>35,562</u>	<u>34,642</u>

Overdue receivables	30 September 2022 £'000	30 September 2021 £'000
By less than 3 months	3,030	2,016
Over 3 but less than 6 months	1,503	1,019
Over 6 months but less than 1 year	693	1,183
Over 1 year	4,268	4,380
	<u>9,494</u>	<u>8,598</u>

Allowance account for receivables	Year ended 30 September 2022 £'000	Year ended 30 September 2021 £'000
At 1 October	1,041	1,187
Charged to the income statement	143	164
Written back to the income statement	(128)	(310)
At 30 September	<u>1,056</u>	<u>1,041</u>

During the year, a detailed review of trade receivable balances was carried out, which resulted in some reduction in allowances relating specifically to retentions being created and older allowances where the provision is no longer required being written back to the statement of comprehensive income. This has resulted in a net increase of £15,000 (2021: decrease of £146,000).

Expected credit losses are based on the assumption that repayment of the loan is demanded at reporting date. No allowance for expected credit losses is deemed necessary.

Amounts due from Group companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Tamdown Group Limited

Notes to the financial statements

16. Trade and other payables

	30 September 2022 £'000	30 September 2021 £'000
Current		
Trade payables	16,292	15,747
Other payables	10	10
Amounts due to Group companies	10,439	9,123
Accruals	253	101
Social security and other tax payable	258	141
	<u>27,252</u>	<u>25,122</u>

Amounts due to Group companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

17. Called up share capital

	30 September 2022 £'000	30 September 2021 £'000
100 Ordinary shares of £1 each (2021: 100 shares)	-	-
	<u>-</u>	<u>-</u>

18. Dividend paid

Dividends paid in the year to the parent company was £154,000 (2021: Nil).

19. Ultimate parental undertaking

The immediate and ultimate parent company in the United Kingdom is Nexus Infrastructure plc, which is the smallest and largest group to consolidate these financial statements. The address of the registered office is Nexus Park, Avenue East, Skyline 120, Great Notley, Braintree, Essex, CM77 7AL. Copies of the Nexus Infrastructure plc annual report and financial statements can be obtained from the Company Secretary at the registered office.

20. Contingent liabilities

Under a Group registration the Company is jointly liable for Value Added Tax due by other Group companies.

21. Capital commitments

At 30 September 2022 the Company had no capital commitments (2021: nil).

22. Events after the reporting period

There are no events after the reporting period to disclose.