

Erith Contractors Limited

Report and Financial Statements

Year Ended

30 September 2024

Company Number 1102060

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Erith Contractors Limited

Report and financial statements
for the year ended 30 September 2024

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Directors

T Darsey
V Stokes
S May
D Moylan
J McGahan
D Cogley – resigned 31/01/2024

Secretary and registered office

S T Darsey, Erith House, Queen's Street, Erith, Kent, DA8 1RP

Company number

1102060

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Erith Contractors Limited

Strategic report
for the year ended 30 September 2024

Review of the business

Erith Holdings Limited, Erith Contractors Limited, Erith Haulage Company Limited, Erith Plant Services Limited, Erith Training Limited, Erith Business Solutions Limited, Swanton Consulting Limited and Erith Connect Limited are a group of private companies ("Erith Group") specialising in various civil engineering activities, including asbestos removal, demolition, land remediation and related ground works, haulage, landfill operations, waste handling and recycling and multi utility connections.

Our Integrated Management System (IMS) applies to asbestos removal, demolition, land remediation and related ground works.

The Erith Group is committed to long-term customer partnership, a central feature of which is the provision of service for all its customers based upon a multi-disciplined, skill-based approach. All contracts are specifically tailored to the nature of the work required and the specific requirements of the customer. The IMS ensures that all quality, health and safety and environmental issues relevant to each contract are considered as part of the overall contract planning and remain as core issues within the management of that contract. Erith Contractors Limited is certificated to ISO 9001:2015, ISO 14001:2015, ISO 39001:2012 and to ISO 45001:2019.

The Erith Group's stated policy is to:

- Plan with customers to identify their relevant quality criteria and to deliver and surpass them within stated time and cost constraints, by using reliable yet innovative low carbon technologies.
- Meet and exceed client expectations by continually improving the quality of our services.
- Deliver a quality, profitable service whilst being focused on health, safety and the wellbeing of our employees.
- Build a collaborative relationship with our clients, ensuring long term success based on respect, integrity, openness and fairness.
- Regularly review business performance and continually improve through the setting, achieving and exceeding health and safety, quality and environmental objectives and targets.
- Comply with all relevant legislation as a minimum and work towards excellence using best practice.
- Eliminate fatal risks, design out hazards; undertake rigorous risk assessment procedures and implement/monitor mitigation measures and make employee safety and wellbeing central to every project.
- Routinely assess the health and safety risks presented to employees, clients, subcontractors, visitors and the general public on all projects and minimise such risks as far as reasonably practicable.
- Minimise our environmental impacts by considering the whole life environmental costs and benefits in our business decisions.
- Ensure that our employees have the necessary training, skills and resources to meet our environmental performance.
- Require all subcontractors to demonstrate commitment to stewardship of the environment and we will create and opportunity for sharing best practice for environmental performance.
- Publish our performance for employees and members of the public and encourage them to comment on our performance.
- Provide the visible senior management leadership for promoting environmental performance integrated within our work and commits the appropriate resources to achieve the environmental goals.
- Respect the environmental status and biodiversity of where we work, and endeavour to enhance these areas for the benefit of the local community.
- Ensure that all policies and business practices are clearly communicated to all employees, and to others working on the company's behalf, by appropriate briefings and training.

We will regularly review our policies, practices and control measures and update as appropriate.

Erith Contractors Limited

Strategic report for the year ended 30 September 2024 (continued)

Performance

The results for the year are in-line with forecasted results.

The company statement of comprehensive income is set out on page 13 and shows turnover for the year of £243,164,408 and a pre tax profit of £9,009,323 (£7,897,792 before R&D tax credit adjustment)

Turnover increased by 13.8% against last year due to many factors including a recovering workload, scale and type of work undertaken.

Gross profit margin increased to 8.9% from 7.9%, when including the R&D tax credit adjustment. The market remains highly competitive coupled with a challenging economic climate.

Interim dividends of £1,500,000 (2023 - £2,500,000) were paid during the year. The directors do not recommend payment of a final dividend (2023 - £Nil).

There have been no events since the date of these accounts which would materially affect the position of the company.

Key performance indicators

	2024	2023
Turnover from continuing operations (£'000)	243,164	213,738
As the prime measure of our economic output, revenue growth is key to measuring shareholder return and the success of our business strategies.		
Gross margin from continuing operations and before R&D tax credits (%)	8.4	7.5
Gross margin from continuing operations and before R&D tax credits (£'000)	20,412	15,951
Gross margin from continuing operations (%)	8.9	7.9
Gross margin from continuing operations (£'000)	21,523	16,885
Gross margin provides an indication of the quality of turnover growth and is also a measure of value added by the company, reflecting the quality of the service provided by Erith Contractors.		
Net margin from continuing operations (%)	3.7	2.8
Net margin from continuing operations (£'000)	9,009	6,017

Net margin provides an indication of the efficiency of Erith Contractors Limited, the level of shareholder return and the success of our business strategies.

Erith Contractors Limited

Strategic report
for the year ended 30 September 2024 (continued)

Principal risks and uncertainties

The market for demolition remains highly competitive with both smaller businesses fostering strong local reputations and larger PLCs competing on price. The company seeks to maintain its history of strong growth by competing aggressively on price while providing added value to its customers. It is anticipated that as the reputation of the business continues to grow this will foster further opportunities for the business in the future. The company is also able to maintain strong relationships at a local level with all its customer and suppliers.

The main financial risks arising from the company's activities are credit risk and liquidity risk. These are constantly monitored by the board of directors.

All new customers and existing accounts that are growing rapidly are subjected to a detailed credit risk analysis to minimise the company's exposure to bad debt. Payment patterns are closely monitored to identify the early stages of payment difficulties.

The company's policy in respect of interest rate and liquidity risk is to limit their exposure to variable rate borrowing and fix the rates of interest of assets acquired through finance. Fixed asset acquisitions are primarily funded via leasing agreements in order to maintain sufficient medium term finance to ensure that the company has sufficient funds for future operations.

The company monitors its cashflow as part of its regular day to day control procedures. The board considers cash flow projections and ensures that appropriate facilities are available to be drawn upon as necessary.

The company recognises its obligations to consider all relevant quality, health and safety and environmental issues in its dealings with its customers, employees, suppliers and the general public. Compliance with all relevant legislation is monitored by the board of directors as part of its regular meetings.

Companies Act 2006 S172

The directors consider, both individually and collectively, that in the decisions taken during the financial year they have satisfied the requirements of s172(1) of the Companies Act 2006 in acting in the way they consider, in good faith, would be most likely to promote the success of the company. The directors have continuing regard as to the interest of the company's employees and other stakeholders, the impact of its activities on the community, the environment and the company's reputation for good business conduct.

The Erith Group is a family controlled business ultimately owned by an Employee Ownership Trust, intrinsically linking our employees and shareholders.

Stakeholders	Stakeholder engagement
Shareholders	We are ultimately owned by each employee through an Employee Ownership Trust. Communications through letters, bulletins, Erith TV and our intranet site occur throughout the year.
Long term Strategy	The board is responsible for establishing the strategies and long-term vision for the Group and ensuring these are communicated and aligned across the business. Our five year Strategic Objectives and Targets covers Occupational Safety, Health and Wellbeing, Environmental and Customer Satisfaction, initially set in November 2020, are annually reviewed and updated.

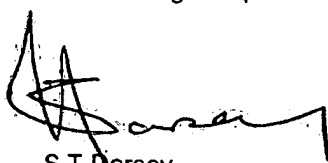
Erith Contractors Limited

Strategic report
for the year ended 30 September 2024 (continued)

Companies Act 2006 S172 (continued)

Employees	<p>The skills, commitment and loyalty of our employees are fundamental to our business. The Board continues to strive to protect both the safety and wellbeing of our staff as well as safeguarding the business for the future.</p> <p>Our strategic goal is to embed Health, Safety and Wellbeing into the ethos of our business and we are in the process of ensuring all staff are trained as mental health first aiders so they can self-monitor as well as look out for each other.</p>
Contractors and Suppliers	<p>We carefully vet all our contractors/suppliers to ensure that they have the relevant experience, financial standing and resources to undertake the contracts we award to them. Our supply chain is continually monitored to ensure we are reaching the high standards required by us and our customers.</p>
Customers	<p>We aim to develop strong, long-lasting and collaborative relationships with all our customers. We strive to continually improve the quality of our services.</p> <p>Our strategic goal is to be considered Best in class / Contractor of choice.</p>
Environmental and Social	<p>The Erith Group is committed to operate in an environmentally responsible manner. Our five year strategic goals are to be recognised as market leader in green construction activities and to achieve carbon reduction in line with the science-based targets initiative with our 2024 SECR setting the baseline for these improvements.</p>
Business Conduct	<p>Strategic plans considered and implemented by the Board are designed to ensure that The Erith Group maintains the highest standards of business conduct, which includes the role of compliance manager and a compliance platform, ensuring continuous training is rolled out. A risk and compliance meeting has been established and meets on a regular basis.</p>

This Strategic Report was approved by order of the Board



S T Darsey
Secretary

Date 02/04/2025

Erith Contractors Limited

Directors' report for the year ended 30 September 2024

The directors present their report together with the audited financial statements for the year ended 30 September 2024.

Principal activities and future developments

The principal activity of the company during the year was that of contract demolition.

The directors are optimistic about the year ahead despite believing that the challenging economic climate will continue into the new year.

Results

The company statement of comprehensive income is set out on page 13 and shows turnover for the year of £243,164,408 (2023 - £213,738,394) and a pre-tax profit of £9,009,323 (2023 - £6,017,452).

Further details, including a review of the business, are included within the Strategic Report on page 1.

Directors

The directors of the company during the year were:

T Darsey
V Stokes
S May
D Moylan
J McGahan
D Cogley - resigned 31/01/2024

Erith Contractors Limited

Directors' report for the year ended 30 September 2024 (continued)

Energy and Carbon emissions reporting

Reporting Period

This report covers the consumption and emissions arising for the wider Erith Group for the period October 2023 to September 2024.

UK Energy Use and GHG Emissions

The tables and graphs below detail the energy used by Erith Holdings Limited, in their business activities involving the purchase of electricity and business mileage in both kWh and tCO₂e. They also detail the total energy and emissions by scope and as a total.

Type of activity	Comparison Year Energy Usage kWh (Oct 19 - Sep 20)	Oct 22 - Sep 23 Energy Usage (kWh)	REPORTING YEAR Oct 23-Sep 24 Energy Usage (kWh)	Comparison Year tCO ₂ e (Oct 19 - Sep 20)	Oct22-Sep23 tCO ₂ e	REPORTING YEAR Oct23-Sep24 tCO ₂ e
Grid Electricity	452,638	234,226	198,997	115	53	45
Mains Gas	238,064	205,011	174,391	44	37	32
Petrol	627,924	824,175	982,211	144	192	227
Derv	16,870,594	37,066,678	39,106,625	4,059	9,295	9,804
Gas Oil	59,821,532	0	0	15,358	0	0
HVO	0	54,498	113,182	0	2	5
Electricity T&D	0	4,196	3,642	9	4	4
Grey Fleets	0	527,716	605,920	0	112	130
Total	78,010,752	38,916,500	41,184,968	19,729	9,695	10,264

Intensity Ratio

In the case of Erith Holdings Limited, the metric chosen to normalise their emissions was based on turnover and the intensity ration is detailed below.

Normalising Metric - Turnover £M	245	Intensity Ratio FY 2023-24	42	t CO ₂ e/ £M turnover
Normalising Metric - Turnover £M	219	Intensity Ratio FY 2022-23	44	t CO ₂ e/ £M turnover
Normalising Metric - Turnover £M	210	Intensity Ratio FY 2020-21	94	t CO ₂ e/ £M turnover

Principal Energy Efficiency Actions

The Erith Group continues to strive for energy and carbon reduction arising from its activities. We have a rolling programme of upgrading plant and equipment for more efficient items and are also migrating the company car fleet to a mixture of Hybrid and Electric vehicles. At present 86% of our company car fleet are ultra low emission vehicles. We continue to make efforts to manage and conserve energy consumption with the use of Solar Pod Hybrid Generator systems, battery storage, virtual team meetings and training and the introduction of a new fleet management system.

Methodology

The figures quoted have been supplied directly from each subsidiary of the Erith Group. For the London office where energy costs are included within the service charge CIBSE Guide F typical consumption figures for Air Conditioned Offices have been used. Conversion factors used are taken from the 'Greenhouse gas reporting: conversion factors 2024'.

Erith Contractors Limited

Directors' report for the year ended 30 September 2024 (continued)

Interest Rate / Inflation Risks

The Directors have carefully considered the risks to the business arising from inflationary pressures and have taken a number of measures to monitor and review.

Due to a strong forward order book going into the 2025 financial year, the Erith Group anticipates maintaining the current level of turnover and at this stage the impact on our business and results is limited. However, we continue to monitor and assess the risks due to the impact on the wider economy.

Having recently agreed an extension on our group revolving credit facility, now renewed until January 2027 the Directors believe that the Group and Company has adequate financial resources to continue as a going concern for the foreseeable future.

Employee engagement

The Erith Group maintains an intranet site that provides employees with information on matters of concern to them as employees, including the financial and economic factors affecting the performance of the company. The intranet site includes functionality that enables employees to express views on matters that affect them and the group.

Business Relationships

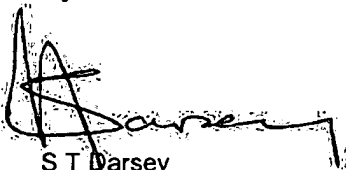
The Erith Group aims to foster close and collaborative relationships with both suppliers and customers. How we engage with the relevant stakeholders can be seen within our S172 report on page 3.

Auditors

The current directors have taken all the steps they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appointment them will be proposed at the annual general meeting.

By order of the Board



S T Darsey
Secretary

Date 02/04/2025

Erith Contractors Limited

Directors' responsibilities statement for the year ended 30 September 2024

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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.

Erith Contractors Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ERITH CONTRACTORS LIMITED

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2024 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.

We have audited the financial statements of Erith Contractors Limited ("the Company") for the year ended 30 September 2024 which comprise Statement of comprehensive income, Statement of financial position, Statement of changes in equity and notes to the financial statements, including [a summary of significant accounting policies/material accounting policy information]¹. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Other information

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

Erith Contractors Limited

Independent auditor's report (*continued*)

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

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

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

Responsibilities of Directors

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

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

Erith Contractors Limited

Independent auditor's report (*continued*)

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud²

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.

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations.

we considered the significant laws and regulations to be, but not limited to, the Companies Act 2006, and UK tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations; and
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and long term contract accounting.

Erith Contractors Limited

Independent auditor's report (continued)

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias including those determining the stage of completion;
- Assessing significant estimates and judgements involved in revenue recognition and long term contract accounting of a sample of contracts selected through pre-determined risk metrics;
- Selecting a sample of costs to ensure that they are allocated to the correct contracts; and
- Considering the completeness of loss making contracts and ensuring that they are accounted for correctly.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Claire O'Kane

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Claire O'Kane (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

Date 02 April 2025

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

Erith Contractors Limited

Statement of comprehensive income for the year ended 30 September 2024

	Note	2024 £	2023 restated £
Turnover	3	243,164,408	213,738,394
Cost of sales		(221,641,173)	(196,853,653)
Includes: R&D Tax Credits		1,111,531	933,271
Gross profit		21,523,235	16,884,741
Administrative expenses		(13,177,063)	(11,663,303)
Operating profit	5	8,346,172	5,221,438
Interest receivable	6	73,151	21,014
Income from fixed asset investments		250,000	440,000
Dividend from Joint Venture		340,000	335,000
Profit on ordinary activities before taxation		9,009,323	6,017,452
Taxation on profit from ordinary activities	7	(2,122,369)	(1,268,640)
Profit for the financial year and total comprehensive income for the year		6,886,954	4,748,812

All amounts relate to continuing activities.

Except for the result for the financial year, as shown above, the company had no recognised gains and losses during the year.

The notes on pages 16 to 27 form part of these financial statements.

Erith Contractors Limited

Statement of financial position at 30 September 2024

<i>Company number 1102060</i>	Note	2024	2024	2023 restated	2023 restated
		£	£	£	£
Fixed assets					
Tangible fixed assets	8		21,131		114,295
Investments	9		875,100		875,100
			<u>896,231</u>		<u>989,395</u>
Current assets					
Debtors	10	62,710,491		53,298,679	
Stock		76,000		76,000	
Cash at bank and in hand		27,066,915		19,228,582	
		<u>89,853,406</u>		<u>72,603,261</u>	
Creditors: amounts falling due within one year	11	<u>(67,119,576)</u>		<u>(55,407,113)</u>	
Net current assets			<u>22,733,830</u>		<u>17,196,148</u>
Total assets less current liabilities			<u>23,630,061</u>		<u>18,185,543</u>
Provision for liabilities	12		-		57,564
Net assets			<u>23,630,061</u>		<u>18,243,107</u>
Capital and reserves					
Called up share capital	13		75,000		75,000
Profit and loss account			23,555,061		18,168,107
Shareholders' funds			<u>23,630,061</u>		<u>18,243,107</u>

The financial statements were approved by the Board and authorised for issue on 02/04/2025

S May
Director

The notes on pages 16 to 27 form part of these financial statements.

Erith Contractors Limited

Statement of changes in equity for the year ended 30 September 2024

	Equity share capital £	Profit and loss account £	Total equity £
At 1 October 2023 - restated	75,000	18,168,107	18,243,107
Comprehensive income for the year			
Profit for the year	-	6,886,954	6,886,954
Total comprehensive income for the year	-	6,886,954	6,886,954
Contributions by and distributions to owners			
Dividends paid	-	(1,500,000)	(1,500,000)
Total contributions by and distributions to owners	-	(1,500,000)	(1,500,000)
30 September 2024	75,000	23,630,061	23,630,061
	Equity share capital £	Profit and loss account restated £	Total equity restated £
At 1 October 2022 - restated	75,000	15,919,295	15,994,295
Comprehensive income for the year			
Profit for the year (restated)	-	4,748,812	4,748,812
Total comprehensive income for the year	-	4,748,812	4,748,812
Contributions by and distributions to owners			
Dividends paid	-	(2,500,000)	(2,500,000)
Total contributions by and distributions to owners	-	(2,500,000)	(2,500,000)
30 September 2023 (restated)	75,000	18,168,107	18,243,107

The notes on pages 16 to 27 form part of these financial statements.

Erith Contractors Limited

Notes forming part of the financial statements for the year ended 30 September 2024

1 Accounting policies

Basis of preparation

Erith Contractors Limited is a private company limited by shares incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the report of the directors. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

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

In preparing the separate financial statements of the company, being a wholly owned subsidiary of Erith Holdings Limited, has taken advantage of the following disclosure exemptions available in FRS 102:

- no cash flow statement has been presented for the company;
- disclosures in respect of the company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the company as their remuneration is included in the totals for the group as a whole.

The principal accounting policies are summarised below:

Turnover

Turnover represents sales to outside customers of invoiced amounts less valued added tax.

Profit is recognised as a percentage of work certified at the year-end date where profitability can be assured with reasonable probability.

Where contracts are not considered long-term profit is recognised on actual costs and actual revenue in the year rather than as a percentage.

When applicable turnover also includes property rental to external customers at invoiced amounts less value added tax or local taxes on sales. Rental charges invoiced in advance of the rental period are treated as deferred income.

Tangible fixed assets

Depreciation of tangible fixed assets is calculated to write off the cost of the fixed assets over their estimated useful lives on a straight line basis. The annual rates of depreciation are as follows:

Plant and machinery	-	10% - 33%
Fixtures, fittings and equipment	-	20% - 25%
Motor vehicles	-	10% - 20%
Leasehold improvements	-	evenly over the term of the lease
Long leasehold properties	-	evenly over the term of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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 within 'other operating income or losses' in the statement of comprehensive income.

Erith Contractors Limited

Notes forming part of the financial statements for the year ended 30 September 2024 (continued)

1 Accounting policies (continued)

Deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income or 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 reporting.

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

- 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.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Leases

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 October 2014) to continue to be charged over the shorter period to the first market rent review rather than the term of lease.

For leases entered into on or after 1 October 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

Long term contracts

Contracts where the work is expected to extend for a period exceeding one year and where the outcome can be assessed with reasonable probability before their conclusion are valued at cost plus attributable profit less any foreseeable losses. Attributable profit is that amount which is estimated to reflect fairly the profit arising on the current contracts up to the balance sheet date. Foreseeable losses are those which are currently estimated to arise over the duration of existing contracts after taking into account costs, including direct labour and appropriate production overheads, to be incurred in the future. Where contracts are not considered long-term actual cost and actual revenue are recognised.

Erith Contractors Limited

Notes forming part of the financial statements
for the year ended 30 September 2024 (*continued*)

1 Accounting policies (*continued*)

Valuation of investments

Investments in subsidiaries and Joint Ventures are measured at cost less accumulated impairment.

Pension costs

The company makes contributions to the Erith Haulage Company Limited Retirement Benefit Scheme, a defined contribution scheme. The amounts charged to the statement of comprehensive income in respect of pension costs are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown in either accruals or prepayments in the balance sheet.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Going concern

The company is part of the wider Erith Holdings limited group and as at the 30 September 2024, the Erith Group has substantial cash reserves and a significant level of secured orders. The Directors regularly review the working capital requirements of the Erith Group and prepare profit, cash flow and covenant forecasts which include economic uncertainties.

The Erith Group is financed through a revolving credit facility which were successfully renegotiated for an additional term of 3 years and is now due for repayment in January 2027. After making enquiries and considering the factors and sensitivities applied, the Directors have a reasonable expectation that the Erith Group has adequate resources to continue in operational existence for at least 12 months from the approval of these financial statements.

The Directors of the Erith Group have provided a letter of support that the Erith Group will provide sufficient operational and financial support to the company to enable it, in the normal course of business, to meet its liabilities as they fall due for a period of at least 12 months from the date these financial statements are authorised for issue. Thus, the Directors consider it appropriate to continue to adopt the going concern basis of accounting.

Erith Contractors Limited

Notes forming part of the financial statements
for the year ended 30 September 2024 (*continued*)

1 Accounting policies (*continued*)

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.

Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

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

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Long term contracts are assessed on a contract by contract basis. Recognition is based on probable outcomes assessed by experienced senior management.
- R&D tax credits are recognised on an accruals basis in the period in which they arise this is based on managements best estimate of qualifying expenditure for R&D tax credits

Other key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Erith Contractors Limited

Notes forming part of the financial statements
for the year ended 30 September 2024 (continued)

3 Turnover

All of the company's turnover relates to its principal activities and is sourced within the UK with the exception of £Nil (2023 - £288,032) derived from contracts in the Republic of Ireland.

4 Information regarding directors and employees

	2024 £	2023 £
Directors' emoluments:		
Emoluments	921,672	692,710
Pension costs	149,759	47,674
	<u>1,071,431</u>	<u>740,384</u>
	Number	Number
Number of directors who were members of the company pension scheme	<u>4</u>	<u>1</u>

The above amounts for remuneration include the following in respect of the highest paid director:

	2024 £	2023 £
Emoluments	421,066	343,101
Company contributions to money purchase pension scheme	5,000	17,188
	<u>426,066</u>	<u>360,289</u>

Employee costs (including directors) during the year:

Wages and salaries	25,226,425	23,191,142
Social security costs	3,001,007	2,661,067
Pension costs	739,921	622,640
	<u>28,967,353</u>	<u>26,474,849</u>

Average number of persons (including directors) employed during the year:

	Number	Number
Production	323	323
Administration	78	78
	<u>401</u>	<u>401</u>

Erith Contractors Limited

Notes forming part of the financial statements
for the year ended 30 September 2024 (continued)

7 Tax on profit on ordinary activities (continued)

The tax assessed for the year is higher (2023 - higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2024	2023 restated
	£	£
Profit on ordinary activities before tax	9,009,323	6,017,452
Profit on ordinary activities at the standard rate of corporation tax in the UK of 25% (2023 - 22.1%)	2,252,331	1,118,938
Effect of:		
Fixed asset differences	-	4,517
Expenses not deductible for tax purposes	130,903	174,887
Income not taxable	(147,500)	(183,769)
R&D expenditure credits	277,883	223,223
Remeasurement of deferred tax	-	12,906
Deferred tax not recognised	22,066	(165,412)
Group relief	(74,651)	(171,332)
Chargeable gains	-	59,570
Adjustment in respect of previous years	(338,663)	195,112
Current tax charge for the year	2,122,369	1,268,640

Erith Contractors Limited

Notes forming part of the financial statements
for the year ended 30 September 2024 (*continued*)

8 Tangible fixed assets

	Leasehold improvements £	Plant and equipment £	Motor vehicles £	Total £
<i>Cost or valuation</i>				
At 1 October 2023	175,440	822,531	124,264	1,122,235
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluation	-	-	-	-
At 30 September 2024	175,440	822,531	124,264	1,122,235
<i>Depreciation</i>				
At 1 October 2023	175,440	726,806	105,694	1,007,940
Charge for the year	-	74,594	18,570	93,164
Disposals	-	-	-	-
At 30 September 2024	175,440	801,400	124,264	1,101,104
<i>Net book value</i>				
At 30 September 2024	-	21,131	-	21,131
At 30 September 2023	-	95,725	18,570	114,295

Fixed assets with a cost of £836,195 (2023 - £687,632) have been fully depreciated.

Erith Contractors Limited

Notes forming part of the financial statements
for the year ended 30 September 2024 (continued)

9 Investments

	2024 £	2023 £
At 30 September	875,100	875,100

The following were the principal subsidiary and joint venture undertakings at the end of the year.

Companies treated as subsidiary undertakings:

Name	Country of incorporation	Principal activity	Number of class of shares	Proportion of shares held %
Swanton Consulting Limited	England	Structural engineers	100 ordinary	100

The registered office of Swanton Consulting Limited is Anchor Bay Wharf, Manor Road, Erith, Kent, DA8 2AW.

Companies treated as joint ventures undertakings:

Name	Country of incorporation	Principal activity	Number of class of shares	Proportion of shares held %
Land Remediation Limited	England	Remediation services	1 ordinary	50
Henley Erith Limited	England	Buying and selling own real estate	751 B Ordinary	50

The registered office of Land Remediation Limited is 1 Beauchamp Court, 10 Victors Way, Barnet, Hertfordshire, EN5 5TZ.

The registered office of Henley Erith Limited is 50 Grosvenor Hill, London, W1K 3QT.

10 Debtors

	2024 £	2023 £
Trade debtors	17,595,802	15,590,226
Amounts owed by group undertakings	18,459,235	15,430,275
Other debtors	1,635,716	22,993
Amounts recoverable on contracts	25,019,738	22,255,185
	<u>62,710,491</u>	<u>53,298,679</u>

Amounts owed by group undertakings are interest free and repayable on demand. Included within amounts recoverable on contract are retentions of £12,834,773 (2023 - £10,564,425) which are recoverable within the normal operating cycle of the Company. All remaining amounts shown under debtors fall due for payment within one year.

Erith Contractors Limited

Notes forming part of the financial statements
for the year ended 30 September 2024 (*continued*)

11 Creditors: amounts falling due within one year

	2024	2023
	£	restated £
Trade creditors	8,598,435	9,714,013
Corporation tax	525,824	119,850
Other creditors	134,888	34,316
Taxes and social security	6,159,314	5,976,807
Accruals and deferred income	40,624,193	28,217,870
Amounts owed to group undertakings	11,076,922	11,344,258
	<u>67,119,576</u>	<u>55,407,113</u>

Amounts owed to group undertakings are interest free and repayable on demand. Included within accruals and deferred income are retentions of £3,617,784 (2023 - £2,469,860) which are payable within the normal operating cycle of the Company.

12 Provision for liabilities and charges

	2024	2023
	£	£
<i>Deferred taxation - accelerated capital allowances</i>		
At 1 October	(57,564)	57,564
Charged to statement of comprehensive income	57,564	(115,128)
	<u>-</u>	<u>(57,564)</u>
At 30 September	-	(57,564)

13 Share capital

	2024	2023
	£	£
<i>Authorised, allotted, called up and fully paid</i>		
50,000 Ordinary shares of £1 each	50,000	50,000
25,000 'A' Ordinary shares of £1 each	25,000	25,000
	<u>75,000</u>	<u>75,000</u>

In the event of a winding up or disposal of the company the value of the ordinary share capital has been fixed at the value of the issued share on 22 March 1988 on which date the 'A' Ordinary shares were issued. The 'A' Ordinary shares shall have a value of the amount of the excess of the company's worth over the value of the ordinary shares. In the event of the winding up of the company the funds available for distribution will be applied first in paying the ordinary shareholders. In all other respects the shares rank *pari passu*.

Erith Contractors Limited

Notes forming part of the financial statements
for the year ended 30 September 2024 (continued)

14 Contingent liability

The company has given an unlimited guarantee to the bankers of Erith Haulage Company Limited, whose overdraft at 30 September 2024 was £Nil (2023 - £Nil) and Erith Holdings Limited whose bank loan and overdraft at 30 September 2024 was £4,000,000 (2023 - £7,000,000).

15 Pension scheme

The group sponsors the Erith Haulage Company Limited Retirement Benefit Scheme. The cost to the company of contributions to the scheme during the year was £Nil (2023 - £Nil). The scheme is a defined contribution scheme. The amount charged to the profit and loss account of the company in respect of pension costs is the contributions payable in the year.

16 Operating lease commitments

The total future minimum lease payments is as follows:

	2024 £	2023 £
Not later than one year	49,400	100,000
Later than one year no later than five years	165,642	-
Later than five years	-	-
Total	215,042	100,000

The amount of non-cancellable operating lease payments recognised as an expense during the year was £45,900 (2023 - £Nil).

17 Related party transactions

The immediate and ultimate parent company is Erith Holdings Limited, a company incorporated in Great Britain. This is the parent of both the smallest and largest group for which the company is a member. Copies of the consolidated financial statements are obtained from Erith House, 7 Queen Street, Erith, Kent, DA8 1RP.

Rent charged from Ebbsfleet Recycling Company limited (a company controlled by the Darsey family) during the year of £Nil (2023 - £100,000) with £Nil outstanding at year end (2023 - £Nil).

Movement on Henley Erith Ltd during the year of £249,554 (2023 - £200,000) with £1,199,554 outstanding loan at year end (2023 - £950,000), included within other debtor balance.

The ultimate controlling party is Erith Holdings Trustee Limited on behalf of the Erith Employee Ownership Trust.

Erith Contractors Limited

Notes forming part of the financial statements
for the year ended 30 September 2024 (continued)

18 Prior year adjustments

The company has two prior period adjustments both arising from the previous treatment for R&D tax credits. It has been identified that the R&D tax credits previously received by the company had not been reflected within the profit and loss account as a deduction to salary costs making up the basis of the R&D claimed and it was further identified that the R&D tax credits were previously only being recognised on a cash basis rather than an accruals basis, this impacts 2022, 2023 and 2024 R&D tax claims which are all still open as at 30 September 2024.

The impact of these adjustments to the reported prior year net assets can be summarised below:

	2023 £	2022 £
Closing net assets as originally reported	14,719,473	13,250,632
Net asset restatement in respect of:		
Historical R&D receipts	1,909,268	1,909,268
Recognition of R&D receipts on an accrual basis*	1,614,366	834,395
	<u>3,523,634</u>	<u>2,743,663</u>
Total net restatement	3,523,634	2,743,663
	<u>18,243,107</u>	<u>15,994,295</u>
Restated closing net assets	18,243,107	15,994,295

*shown net of tax impact

The impact of the above prior year adjustment on the profit and loss of the company for the comparative period to 30 September, is to decrease cost of sales by £933,271 and increase the tax charge by £153,300 to reflect the recognition of the 2023 R&D Claim.

The impact on the Balance Sheet as at 30 September 2023 is to increase the profit and loss account brought forward reserves by £2,743,663 reflecting the historical R&D receipts and the 2022 R&D claim and to decrease the corporation tax liability by £3,523,634