

WINVIC CONSTRUCTION LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 JANUARY 2022

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WINVIC CONSTRUCTION LIMITED

COMPANY INFORMATION

Directors	S Girardier D Ward S Hunt R Butler C Allsopp T Reeve (resigned 31 May 2022) I Nelson M Jones I Goodhead R Cook (appointed 3 February 2021) H Ratcliffe (appointed 11 March 2021)
Company secretary	S Girardier
Registered number	04135363
Registered office	Brampton House 19 Tenter Road Moulton Park Northampton NN3 6PZ
Independent auditors	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA
Bankers	National Westminster Bank Plc 41 The Drapery Northampton NN1 2EY

WINVIC CONSTRUCTION LIMITED

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WINVIC CONSTRUCTION LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2022

Multi-Sector Performance

Winvic operates throughout the UK as a main contractor specialising in the design and delivery of industrial, build-to-rent, student accommodation and commercial projects, and major civils & infrastructure schemes. Our multi-sector turnkey offer gives our clients commercially successful, unified solutions, from initial civils work through to build and fit out.

During the year we successfully completed 28 projects to industry leading standards, responsibly, ethically and safely and saw the demand for our services grow across all our operating sectors, securing 46 new, sustainable and innovative projects, including two public sector highways frameworks.

Industrial Sector

Our long-term success in the industrial, distribution and logistics sector saw us on site safely delivering 14 million+ sq ft of industrial space during the year. We remain the first-choice delivery partner for projects of increasing scale, significance and complexity, which is testament to the relationships that we have nurtured over many years cementing our position as market leaders in the sector. Average project values have risen further due to materials price increases and the demand for our expertise in delivering complex MHE (Material Handling Equipment), sortation and temperature-controlled requirements within online food and retail storage facilities, and fulfilment and last-mile delivery centres. Our reputation for delivering innovative and sustainable schemes to industry leading standards and our ability to satisfy net zero ambitions amongst new and repeat business clients has enabled us to expand our customer base. As the momentum towards more sustainable business practices and commitments to net zero carbon have moved up a gear over the past 12 months, so has the demand for our specialist expertise in this area. We anticipate further demand for this specialist inhouse service in the next few years upholding our position as the UK's leading contractor within this sector.

Industrial Fit Out

The demand for the fit out of both existing buildings and those under construction has continued to grow with retail and distribution efficiency becoming more important than ever since the Covid-19 lockdowns and the resulting changes in consumer behaviour. Our unrivalled experience in delivering challenging projects has seen us deliver several complex fit outs directly for end-users to meet the demand within manufacturing, distribution and fulfilment. Delivery of these projects has further strengthened our expertise, knowledge and understanding of the diversity of client and end-user needs, the variance in scope of works and specific requirements for access and speed of delivery. Consequently, we have seen an increase in project opportunities and customers returning for a repeat experience.

Multi-Room Sector

We have delivered another successful year providing high quality residential schemes across the UK despite significant challenges coming out of the pandemic. With our reputation firmly established in the residential sector, we continue direct negotiations with major funds and clients to secure repeat business. These existing relationships are extremely important in the current market of high levels of inflation and a challenging economy. This allows us to be selective with our opportunities and protect our exposure to risk. Our growth is on track, with a strong pipeline of work that will see us deliver a further 6,000+ beds over the next three years. Our primary focus remains around the Midlands due to a significant shortage of good quality housing stock, for both affordable and the higher end rental market. We're also seeing profitable opportunities in the South West with two new contract awards in Bristol to deliver 468 BTR apartments and 367 student beds. In the year ahead we will complete our first 261 bed four-star hotel in the centre of Milton Keynes and have four major BTR schemes onsite in Birmingham alone as we continue to promote the Winvic brand across the city skyline. With a further five major BTR schemes due to start on site in other key cities including Leicester, Milton Keynes and Nottingham, our total delivery will increase to over 8,100 beds.

WINVIC CONSTRUCTION LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

Civils & Infrastructure Sector

We have cemented our position within the civils & infrastructure sector this year, by targeting infrastructure, strategic rail freight and public sector frameworks, seeing us secure a place on two government-led highways frameworks with National Highways and Lincolnshire County Council, and two major Strategic Rail Freight Interchanges.

Over the past year, we have delivered our first project direct with National Highways, four complex bridge structures, a freeport rail terminal, one of the UK's first rail traversers and specialist civils works to enable future industrial and commercial developments on standalone schemes, maintaining an impeccable safety record through our safety Doing it Right focus.

In the year ahead, we will be aiming to secure ISO 44001, RISQS and Cyber Essentials certifications to enable us to target opportunities presented within public sector frameworks as part of the government's investment in national infrastructure programmes and highways, rail, environment and port works.

With a strong pipeline of opportunities for 2022, continuing to secure private development infrastructure works and our continued growth within the public sector, for clients like National Highways, Network Rail, local highways authorities and highways alliances, and the Environment Agency, we are confident we will maintain steady turnover growth within this sector.

Winvic Ethos

Our brand and 'The Winvic Way' ethos is the guiding principle that drives our continued success. The core values underpinning everything we do are: respect, loyalty, honesty, challenging / questioning, and passion: pride, tenacity drive – embodying the 'The Winvic Way' culture. Our clients, end-users, consultants, subcontractors, and employees support this ethos - evidenced by our enviable retention and repeat business figures.

This brand is now under-pinned by our Doing It Right behavioural change programme aiming to bring Safety to the forefront of all our decision making within the business.

WINVIC CONSTRUCTION LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

Winvic Performance at a Glance

2021 Highlights

- Turnover increased to £1,029m.
- 28 projects completed and 46 started across four main operating sectors.
- 90% of turnover from repeat business clients.
- Doing It Right cultural change programme has helped reduce safety incidents (AFR) by 71% in the first 2 years and minor injuries by 20% in the last year.
- RoSPA President's Award for ten consecutive Gold awards.
- Utilised BIM on 27 projects throughout the year.
- Achieved Planet Mark Certification for the 10th year running.
- Delivered 2 Zero Carbon projects and 10 under construction.
- BREEAM Outstanding achieved on 4 projects.
- Opened first onsite Sustainability & Innovation Hub.
- Progress towards Net Zero Strategy and Sustainability KPIs.
- Introduced new Sustainable Procurement Framework.
- Launched business wide Digital Strategy to improve operational excellence and customer experience.
- 13% of workforce on early years or 'earn and learn' programmes and 100% receive training / development.
- Secured a place on two major public sector highways frameworks.
- Awarded ProCon Infrastructure Project of the year.

Key influences sustaining our strong performance over the year include:

- Adapting to reintroducing the workforce to the office following the Covid-19 pandemic, implementing safe working practices to keep our people safe.
- Our ability to satisfy growing demand for sustainable and innovative solutions, offering design and build turnkey services across Civils & Infrastructure, Industrial and Multi-room.
- Maintaining our position as the UK's top industrial specialist securing work with new and repeat business clients and end-users, including prominent developers, global brands, and funds.
- Strengthening our standing within the Civils & Infrastructure sector by securing work with public sector clients on government led frameworks and nationally significant schemes for private clients.
- Expanding our position in the multi-room residential market building on our strong reputation for delivering high quality build-to-rent (BTR) and student accommodation.
- Maintaining an enviable record of project delivery to industry leading standards, whilst upholding an exemplar health and safety record.
- Leveraging long-term supply chain partnerships cultivated over many years to secure costs and ensure programme delivery.
- Attracting and retaining talented, highly motivated teams to drive performance and excellence.

WINVIC CONSTRUCTION LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

Financial Key Performance Indicators

Winvic Construction Limited has delivered another year of strong financial performance for the year ending January 2022 despite challenging market conditions. The company has maintained strong performance in all operating sectors with turnover of £1,029m (Jan 2021: £659m).

Our forecasted turnover to January 2023 is £1,195m.

Winvic achieved revenue of £1,029m, underlying profit before tax of £16.5m and has a forward order book of £1,685m at the time of signing these accounts.

Financial highlights:

- Turnover of £1,029m (Jan 2021: £659m)
- Pre-tax profits of £16.5m (Jan 2021: £14.8m)
- Net cash position £101m (Jan 2021: £46.3m)
- Net current assets £53.5m (Jan 2021: £51.9m)

The company has continued to build on our strategic priorities and improve the way we measure our KPIs to measure performance in all sectors;

- Cash position
- Project margins and net operating profit
- Employee retention
- Customer satisfaction
- Supply chain relationships
- Health and Safety record

Principal Risks

The high levels of demand, combined with the ongoing impact of the Covid pandemic and the Ukraine conflict have continued to contribute to material pressures in respect of both supply and price.

With regards to supply our ability to leverage our long-term and trusted supply chain partnerships to secure materials to maintain programme delivery, has enabled us to continue to meet both our clients' and market needs.

The unprecedented levels of material price increases have been more challenging to manage particularly when balancing this with our commitment to provide our clients with price certainty. Whilst we are now seeing this stabilise in steel related products, over the last 12 months the unpredictable price increases in aggregates and ready mixed concrete have impacted on our margins.

Business Review

Despite the numerous changes and challenges, we have had to face during the year, our business strategy has proved its resilience. In 2021, coming out of the Covid-19 pandemic, we continued working to our Site Operating Procedures (SOP) in order to protect our workforce and successfully deliver projects whilst working to the highest safety standards.

Winvic has continued to aim for the highest possible standards across every aspect of our work and our ability to satisfy the increasing demand for our services from both new and existing clients, whilst maintaining an enviable record of project delivery and outstanding safety records, has required ongoing investment in all areas of our operations. Our continued success is testament to the skills, expertise, drive and dedication of all our people in everything we do, throughout what has been another challenging year.

WINVIC CONSTRUCTION LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

Investing in the Future

With sustainability and innovation high on both Winvic's and our clients' agendas across all sectors, we have invested in our inhouse capacity in these specialist areas to ensure we can provide an industry leading service to our clients now and into the future. Whilst the nature of roles needed to service both current and future project delivery is becoming more specialised and has required investment over the past year, we have strengthened our resources within our operations teams and all core business support functions.

We recognise our people as our greatest asset and crucial to the future success of our business, so we are dedicated to helping our employees at all levels achieve their full potential through tailored, individual training and development programmes. Our Investors in People (IIP) status reflects our people management and development excellence. This year, we opened our first satellite Sustainability and Innovation Hub to enable our teams to upskill in the latest sustainability and digital advancements, in a real time onsite scenario. This complements our head office training centre and our new online Dayforce E-learning system, which will allow our employees to benefit from in-house training and development, arming them with the tools, resources and support they need to develop with the business.

We are proud that we have exceeded our KPI for the proportion of our workforce who are undertaking training and education programmes, from NVQs to Masters' degrees, which has increased to 13%. Our accredited training schemes with the CIOB (Chartered Institute of Building), ICE (Institute of Civil Engineers) and RICS (Royal Institute of Chartered Surveyors), continue to go from strength to strength, supporting new groups of employees working towards and achieving professional accreditations and qualifications.

Our Civil Engineering Contractors Association (CECA) membership, has enabled us to access sector specific training and development opportunities to bolster the skills and expertise of our teams within this sector to service our government led frameworks. In the year ahead, we will be joining the Supply Chain Sustainability School as a Partner and embedding these resources within our online Dayforce E-Learning system providing our employees with an even wider library of learning and development opportunities and resources, available 24/7.

During the year, we have been working on securing the RISQS (Railway Industry Supplier Qualification Scheme) accreditation, to enable us to bid for major rail frameworks and apply for principal contractor licences and to carry out our own works on the Strategic Rail Network for Network Rail.

In the year ahead, we will also be working towards ISO 44001 collaborative working and the Cyber Essentials security assurance standards to ensure we meet the requirements to work on government led frameworks for both the Rail and Highways sectors, which will shape the future of the civils & infrastructure sector.

As a responsible employer, we recognise that having a diverse workforce is important to securing a sustainable future. So, across the business, we have actively engaged in initiatives and activities aimed at attracting and developing an increasingly diverse workforce. For many years, we have been encouraging young people to enter the sector and promoting an environment in which they can thrive, develop and progress. Our apprenticeship, year in industry and graduate programmes are helping us to attract a wider range of employees to increase our talent pipeline.

WINVIC CONSTRUCTION LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

As part of our commitment to training and personal career development to drive performance, we have rolled out a new 12-month leadership development programme to 90 employees across our business. We continue to provide equal progression opportunities through impactful leadership development programmes which complement the tailored individual training and development plans that all Winvic employees are supported by, to encourage them to achieve their full potential.

Helping to tackle future industry skills shortages in meaningful ways by proactively promoting the sector and encouraging diversity is something we recognise that we have an important part to play in. Attracting, retaining, and progressing talent within our business and promoting best practice, and at the same time positive role models reinforces a positive image of the industry. By investing in all areas of our business, we have opened up further opportunities for female talent to join us, stay with us and develop their careers with us, and over time through natural career progression, reach senior positions which will in turn have a positive impact on the gender pay gap.

Through our industry and education partnerships, we have continued to actively promote positive role models and the broad range of careers available through virtual careers events and our online channels. Through our onsite Sustainability and Innovation Hub, we are seeking to inspire a diverse range of young people and enhance our educational engagement activities by inviting local schools, colleges, and universities to experience the latest industry advancements. We have continued to support NTU's Women in Construction Award and have encouraged employee participation in virtual Construction and Engineering events particularly those related to sustainability and innovation.

We remain committed to combatting modern slavery, our programme of training for all existing and new employees is ongoing and we have engaged with our supply chain to outline our commitment under the modern slavery act and in commercial terms. Our next statement will be published on our website in September 2022.

The Future of Modern Contracting – our Commitment to BIM

Continued demand for our Building Information Modelling (BIM) and Virtual Reality (VR) offering continues to grow from clients who really understand the benefits, which has seen us utilise the technology on 27 projects over the last year. To meet the demand, we have increased the number of specialist roles in this area alongside upskilling our employees using our state-of-the-art facilities and onsite Sustainability and Innovation Training Hub.

Driven by our focus on digital effectiveness and ambition to lead the industry in the way we use technology in all areas of our business operations, last year we launched a new Digital Strategy Plan. The strategy focuses on four key business objectives designed to streamline and improve our digital platforms to enhance and improve the user experience and our operational day to day experiences - these include: developing an online training and knowledge sharing platform for all our employees accessible 24/7, investing in IT infrastructure delivery on our sites, new digital platforms to manage our supply chain (SRM) and client relationships (CRM) including feedback on satisfaction and performance and development of a new Common Data Environment (CDE) / Operating System.

WINVIC CONSTRUCTION LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

Building a Sustainable Future

We remain committed to being a sustainable business and leaving a lasting positive, social, environmental, and economic legacy as a result of our actions. Our approach to sustainability ensures best practice across all our activities, extending beyond the construction projects we deliver, through our own business operations, and supporting our clients to achieve their sustainable goals.

In 2021, through our Sustainability roadmap and vision for the future; to become a Net Zero business by 2025, carbon reduction has been a key focus and we have driven progress towards this goal. Winvic's Sustainability Strategy focuses on four key pillars:

- People: Putting People First
- Innovation: Leading Through Innovation
- Planet: Protecting The Planet
- Community: Partners In Communities

To drive progress towards achieving this, the Sustainability Working Group has reviewed the performance KPIs and has been developing and implementing new initiatives within each pillar.

As part of our Net Zero Strategy, for many years we have been investing heavily in the infrastructure needed to enable us to deliver net zero assets in the coming years to satisfy the growing demand from our clients. To support this, we have been rolling out a Sustainable Procurement Framework, to secure the engagement and commitment of our supply chain as we work in partnership to develop a more sustainable future. Alongside this, we have created a Green Supply Chain forum to enable us to work collaboratively with a focused set of suppliers whose carbon reduction is crucial to us to achieving our Net Zero ambitions.

Our investment in specialist in-house expertise, technologies and forward-thinking approaches to construction has seen us working on 12 Zero Carbon projects over the past year and puts us in the ideal position to support the green commitments made by our clients in the coming years. Utilising our state-of-the-art facilities, we have worked with our clients to use BIM data generated over the whole project lifecycle to enable faster, safer, less wasteful construction and more cost-effective, sustainable operation and maintenance during the occupation phase. We are determined to illustrate how using BIM to its fullest potential delivers tangible, end-to-end benefits for developers and tenants, from the pre-construction phase to many years into the future.

Partners in Communities

Working in partnership to engage the communities in which we operate, to leave a positive social, environmental and economic legacy has been part of the Winvic Way ethos since day one and has become inherent in the way we deliver our business. Social value has become an integral part of project delivery and our dedicated Social Responsibility team works in partnership with our clients and their partners to align with their responsible business pledges and deliver against local authority planning conditions or obligations to further demonstrate this commitment.

Our alignment with our clients' social impact ambitions has enabled us to secure more high profile and nationally significant projects, including two public sector frameworks. We have seen an increased demand for this partnership approach to delivering social value through a range of engagement activities, to effectively target and provide support and resources for the key issues that communities are facing, particularly coming out of Covid 19.

Through our role as a Partner of the Considerate Constructors Scheme (CCS), we remain committed to working in a respectful way, not only being mindful of our workforce, but also the environment and local communities, achieving above average scores against the code of conduct for best practice.

WINVIC CONSTRUCTION LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

Resetting the Bar for Health, Safety and Wellbeing – Doing It Right

Despite the changing landscape coming out of the Covid-19 pandemic and notable increases in the number of people working across our sites, we are proud of our exemplary health and safety record, as demonstrated by our AFR reduction and a coveted RoSPA President's Award.

Ongoing excellence is always our driver, and our 'Doing It Right' cultural change programme to further improve behavioural safety standards across the business has helped reduce safety incidents (AFR) by 71% in the first two years and minor injuries by 20% in the last year.

We have sustained an enviable staff retention rate which is testament to the high levels of employee satisfaction, and we continue to enhance our employee benefits package to reward our loyal employees. To engage and motivate our employees towards our sustainable future, over the past year we have introduced a new Green car scheme and Green pension investment options, trained more Mental Health First Aiders across the business and set new KPIs to increase this further. We have continued to raise the profile of mental health across our business by creating an environment that encourages everyone to talk about it openly, and provide access to a wellbeing service and offering our employees a 24/7 confidential helpline and short-term counselling with fully qualified counsellors.

Each year, our teams work hard to uphold the high-level standards and accreditations - ISO 9001, 14001, 45001 and 27001 - that help us to secure future work by providing a guarantee of our exemplary processes, products and services across areas of health, safety, environment and quality. In the year ahead, we will be working towards the ISO 44001 certification for collaborative working standard to support our work within public sector frameworks.

In line with our business Digital Strategy Plan, we have been continually investing in our IT systems, resources and infrastructure to ensure we continue to meet the required standards for best practice in information security management, and to provide cyber secure, IT equipment with remote access to enable our employees to work remotely when required. Cyber Essentials is becoming a client requested security standard, to give the assurance that we are following IT Security best practice to protect the business. So, in the year ahead, we will be adopting this government led security framework to benefit both our public and private sector clients.

Our Future

The Company's prospects look very positive for 2022 and beyond with a current forward order book of £1,685m.

Despite the continued economic uncertainty, the key markets in which the company operates remain strong and with our continued policy of developing key strategic relationships with both clients and suppliers the Board believe this order book places the company in a secure position for the future.

WINVIC CONSTRUCTION LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2022

Section 172 (1) Statement

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, have acted in a way that they consider, in good faith, promotes the success of the company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term.

Such considerations of how s172 factors have been applied by the Board have been noted below:

- the likely consequences of decisions in the long term have been discussed further in 'Our Future';
- the interests of the company's employees can be found within 'Investing in the Future' and 'Resetting the Bar for Health, Safety and Wellbeing - Doing it Right' sections;
- the need to foster the company's business relationships with suppliers, customers and others is included within 'Our Future';
- the impact of the company's operations on the community and the environment please see details included within 'Securing a Sustainable Future' and 'Partners in Communities';
- the desirability of the company maintaining a reputation for high standards of business conduct remains paramount to the business and can be seen throughout our report. One example can be seen within 'The Future of Modern Contracting – Our Commitment to BIM'; and
- the need to act fairly between members of the company is summarised below.

The company recognises the importance of maintaining strong relationships with its stakeholders in order to create sustainable long-term value, and the Board encourages active dialogue and transparency with all its stakeholder groups.

The Board of Directors is responsible for setting the company's overall strategy and maintaining oversight of its activities. The Board believes that having regard to each of these stakeholder groups ensures the proper discharge of their duties under section 172 (1).

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

DocuSigned by:

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S Girardier
Director

Date: 06 September 2022

WINVIC CONSTRUCTION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2022

The directors present their report and the financial statements for the year ended 31 January 2022.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless 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 for the company's financial statements 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;
- 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in directors' reports may differ from legislation in other jurisdictions.

Results and dividends

The profit for the year, after taxation, amounted to £13,548,000 (2021: £12,086,000).

Dividends paid during the year are disclosed in note 10.

Directors

The directors who served during the year are shown on the company information page.

Employee involvement

The directors believe that although successful employee involvement requires support and impetus from management, the key to its effectiveness lies in giving it a local focus, however, rather than relying wholly on formal systems and structures, great importance is attached to the managerial style and the quality of direct contact and relationship with employees.

WINVIC CONSTRUCTION LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2022**

Disabled employees

It is the policy of the company to promote equality of employment opportunities by giving full and fair consideration to applications from disabled people for vacancies. Should existing employees become disabled, every effort is made to retain the employee within the workforce wherever reasonable and practicable. The company also endeavours to provide equal opportunities in the training, promotion and general career development of disabled employees.

Streamlined Energy and Carbon Reporting (SECR)

Information regarding SECR can be found in the group accounts of the ultimate holding company, Winvic Group Limited.

Strategic report

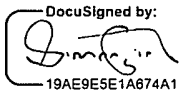
The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's Strategic Report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Schedule 7 to be contained in the directors' report.

Disclosure of information to auditors

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

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

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

DocuSigned by:

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S Girardier
Director

Date: 06 September 2022

WINVIC CONSTRUCTION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WINVIC CONSTRUCTION LIMITED

Opinion

We have audited the financial statements of Winvic Construction Limited (the 'company') for the year ended 31 January 2022, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

WINVIC CONSTRUCTION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WINVIC CONSTRUCTION LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 10, 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.

WINVIC CONSTRUCTION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WINVIC CONSTRUCTION LIMITED (CONTINUED)

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:

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of construction companies;
- we assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias, in particular the calculations involved in the recognition of long term contracts, including reviews of forecasts, cost allocation testing, and a review of the completeness of provisions for loss making contracts;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, inspecting legal correspondence, performing a review of legal and professional nominal codes and board minutes in the year and post year end;
- we assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
 - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
 - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- to address the risk of fraud through management bias and override of controls, we:
 - tested journal entries to identify unusual transactions;
 - investigated the rationale behind significant or unusual transactions; and
 - reviewed certain nominal codes for indication of any management override.

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

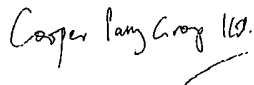
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

WINVIC CONSTRUCTION LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WINVIC CONSTRUCTION LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the company's members 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 auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Paul Rowley (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 7 September 2022

WINVIC CONSTRUCTION LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2022

	Note	2022 £000	2021 £000
Turnover	3	1,029,249	659,262
Cost of sales		(980,010)	(620,295)
Gross profit		<u>49,239</u>	<u>38,967</u>
Administrative expenses		(33,185)	(25,594)
Other operating income	4	443	1,338
Operating profit	5	<u>16,497</u>	<u>14,711</u>
Interest receivable and similar income		13	62
Profit on ordinary activities before taxation		<u>16,510</u>	<u>14,773</u>
Tax on profit on ordinary activities	9	(2,962)	(2,687)
Profit for the financial year		<u><u>13,548</u></u>	<u><u>12,086</u></u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the profit and loss account.

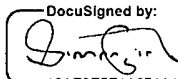
The notes on pages 19 to 33 form part of these financial statements.

WINVIC CONSTRUCTION LIMITED
REGISTERED NUMBER: 04135363

BALANCE SHEET
AS AT 31 JANUARY 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	11	665	827
Current assets			
Stocks	12	3,481	-
Debtors: amounts falling due after more than one year	13	11,799	6,107
Debtors: amounts falling due within one year	13	180,586	185,689
Bank and cash balances		101,015	46,346
		<u>296,881</u>	<u>238,142</u>
Creditors: amounts falling due within one year	14	<u>(243,389)</u>	<u>(186,217)</u>
Net current assets		53,492	51,925
Total assets less current liabilities		<u>54,157</u>	<u>52,752</u>
Creditors: amounts falling due after more than one year	15	(6,202)	(4,107)
Provisions for liabilities			
Deferred tax	16	(47)	(82)
Net assets		<u><u>47,908</u></u>	<u><u>48,563</u></u>
Capital and reserves			
Called up share capital	17	110	110
Share premium account	18	33	30
Profit and loss account	18	47,765	48,423
Shareholders' funds		<u><u>47,908</u></u>	<u><u>48,563</u></u>

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

DocuSigned by:

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S Girardier
 Director

Date: 06 September 2022

The notes on pages 19 to 33 form part of these financial statements.

WINVIC CONSTRUCTION LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2022

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 February 2021	110	30	48,423	48,563
Profit for the year	-	-	13,548	13,548
Dividends paid (note 10)	-	-	(14,200)	(14,200)
Shares repurchased during the year (note 17)	-	3	(6)	(3)
At 31 January 2022	110	33	47,765	47,908

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 February 2020	110	33	46,337	46,480
Profit for the year	-	-	12,086	12,086
Dividends paid (note 10)	-	-	(10,000)	(10,000)
Shares repurchased during the year (note 17)	-	(3)	-	(3)
At 31 January 2021	110	30	48,423	48,563

The notes on pages 19 to 33 form part of these financial statements.

WINVIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022

1. Accounting policies

Winvic Construction Limited is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are for the year ended 31 January 2022 (2021: year ended 31 January 2021).

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard (FRS) 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following principal accounting policies have been consistently applied throughout the year:

1.2 Going concern

The company has made a profit in the year and at the balance sheet date has a strong cash balance and significant net current asset resources amounting to £53.5m.

On that basis, the directors have prepared these financial statements on a going concern basis.

1.3 Disclosure exemptions

As permitted by FRS 102 section 1.12, the company has taken advantage of the disclosure exemptions available under that standard in relation to the presentation of a cash flow statement and the aggregate remuneration of key management personnel. Where required, equivalent disclosures are given in the group accounts of Winvic Group Limited. The group accounts of Winvic Group Limited are available to the public and can be obtained as set out in note 22.

1.4 Research and development expenditure

Research expenditure is written off to the profit and loss account within cost of sales in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

Any tax credits arising in respect of research and development expenditure are credited to other operating income within the profit and loss account when it is reliably measurable and it is probable that the credit will be received.

1.5 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

WINVIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022

1. Accounting policies (continued)

1.6 Turnover

Long term contracts

Turnover comprises the fair value of consideration received or receivable, net of any Value Added Tax, rebates and discounts.

Turnover arises from increases in valuations on contracts and is the gross value of work carried out for the period to the balance sheet date, including contract variations and claims.

Variations in contract work are only included to the extent that it is probable that they will result in revenue and that they are capable of being reliably measured.

Where the total income of a contract cannot be estimated reliably, contract revenue is recognised to the extent that it is probable contract costs incurred will be recoverable.

Profit on contracts is calculated in accordance with accounting standards and industry practice. Profit recognition is based on an assessment of the overall profitability forecast on individual contracts and is recognised when the outcome of the contract can be assessed with reasonable certainty. The profit recognised reflects that part of the total profit currently estimated to arise over the duration of the contract that fairly represents the profit attributable to work performed at the balance sheet date. The assessment of the final outcome of each contract is determined by regular review of the revenues and costs to complete that contract.

Provisions are made for losses incurred or foreseen in bringing the contract to completion as soon as they become apparent.

Carbon credits

Turnover from the sale of carbon credits is recognised when the significant risks and rewards of ownership of the credits have transferred to the customer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company, and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

WINVIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Improvements to property	- 10 years straight line
Motor vehicles	- 4 years straight line
Fixtures, fittings and equipment	- 4 years straight line
Computer equipment	- 2-4 years straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately in the profit and loss account within administrative expenses.

1.8 Stocks

Stocks reflect carbon credits that are held directly for resale on contracts with customers, to offset future carbon emissions.

The associated costs and revenue are recognised in the profit and loss account when the significant risks and rewards of ownership of the credits have transferred to the customer.

Stocks of carbon credits purchased are stated at the lower of cost and net realisable value, being the estimated selling price less cost of purchase. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks of carbon credits are assessed for impairment. If an impairment is identified, the carrying amount is reduced to its selling price less costs to complete and sell. Any impairment loss is recognised as an expense within cost of sales in the profit and loss account immediately.

WINVIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022

1. Accounting policies (continued)

1.9 Long-term contracts

Amounts recoverable on long term contracts (AROC) represent the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date (see the turnover accounting policy) less a provision for foreseeable losses and less progress billings.

AROC is presented in debtors on the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented in payments on account within creditors on the balance sheet.

1.10 Pensions

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.11 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and loans to related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

1.12 Government grants

Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

Grants relating to the Coronavirus Job Retention Scheme are recognised when the requirements are met and recognised in the profit and loss account within other operating income in the period which it relates to.

1.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.

WINVIC CONSTRUCTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

1. Accounting policies (continued)

1.14 Current and deferred taxation

The tax charge comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current of past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

WINVIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022

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

The company makes estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

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

Recognition of profit on long term contracts

Profit recognition is based on an assessment of the overall profitability forecast on individual contracts. Losses are recognised as soon as they are foreseen. Profits are recognised by the directors when the outcome of the contract can be assessed with reasonable certainty. The profit recognised reflects that part of the total profit currently estimated to arise over the duration of the contract that fairly represents the profit attributable to work performed at the accounting date.

Recoverability of trade debtors

Trade debtors and other receivables are recognised to the extent that they are judged recoverable. The directors' reviews are performed to estimate the level of reserves that are required for irrecoverable debt. Provisions are made specifically against specific invoices where recoverability is uncertain.

The directors make allowances for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ, the director's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not, external advice is sought where appropriate.

WINVIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

2. Judgements in applying accounting policies (continued)

Leasing

The company determines whether leases entered into are an operating lease or a finance lease. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the company on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Taxation

There are many transactions and calculations for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due.

The directors estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

3. Turnover

The whole of the company's turnover is derived from its principal activity and was conducted entirely within the United Kingdom.

4. Other operating income

	2022 £000	2021 £000
Research and development tax credit	443	873
Government grants receivable	-	465
	<u>443</u>	<u>1,338</u>

Government grants receivable relates to income received under the Coronavirus Job Retention Scheme.

5. Operating profit

The operating profit is stated after charging:

	2022 £000	2021 £000
Depreciation of tangible fixed assets	624	603
Research and development expenditure	2,613	8,002
Operating lease rentals	280	214
	<u>280</u>	<u>214</u>

WINVIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

6. Auditors' remuneration

	2022 £000	2021 £000
Fees payable to the company's auditor for the audit of the company's annual financial statements	43	25
Fees payable to the company's auditor in respect of:		
Taxation compliance services	5	4
Other services relating to taxation	19	36
All other services	5	4
	<u>29</u>	<u>44</u>

7. Employees

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

	2022 £000	2021 £000
Wages and salaries	31,940	24,307
Social security costs	3,674	2,822
Pension costs	1,651	1,089
	<u>37,265</u>	<u>28,218</u>

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

	2022 No.	2021 No.
Executive directors	11	9
Senior management and site managers	246	251
Administration	207	113
	<u>464</u>	<u>373</u>

WINVIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

8. Directors' remuneration

	2022 £000	2021 £000
Directors' emoluments	2,326	1,491
Company contributions to defined contribution pension schemes	48	22
	<u>2,374</u>	<u>1,513</u>

During the year retirement benefits were accruing to 6 directors (2021: 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £724,000 (2021: £393,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,000 (2021: £6,000).

9. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	2,931	2,539
Adjustments in respect of previous periods	64	141
	<u>2,995</u>	<u>2,680</u>
Total current tax	<u>2,995</u>	<u>2,680</u>
Deferred tax		
Origination and reversal of timing differences	(33)	7
Total deferred tax	<u>(33)</u>	<u>7</u>
Taxation on profit on ordinary activities	<u>2,962</u>	<u>2,687</u>

WINVIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	16,510	14,773
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	3,137	2,807
Effects of:		
Expenses not deductible for tax purposes	18	49
Income not taxable for tax purposes	(84)	(166)
Fixed asset differences	(24)	1
Adjustments to tax charge in respect of prior periods	64	141
Adjustments to tax charge in respect of the change in effective rate of deferred tax	11	8
Group relief	(160)	(153)
Total tax charge for the year	2,962	2,687

Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021 and so the deferred tax rate applied at 31 January 2022 was 25%.

10. Dividends

	2022 £000	2021 £000
Dividends paid	14,200	10,000

WINVIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

11. Tangible fixed assets

	Improvements to property £000	Motor vehicles £000	Fixtures, fittings and equipment £000	Computer equipment £000	Total £000
Cost					
At 1 February 2021	43	290	1,505	1,321	3,159
Additions	-	-	200	262	462
Disposals	-	(21)	-	-	(21)
At 31 January 2022	<u>43</u>	<u>269</u>	<u>1,705</u>	<u>1,583</u>	<u>3,600</u>
Depreciation					
At 1 February 2021	36	207	1,140	949	2,332
Charge for the year	2	39	213	370	624
Disposals	-	(21)	-	-	(21)
At 31 January 2022	<u>38</u>	<u>225</u>	<u>1,353</u>	<u>1,319</u>	<u>2,935</u>
Net book value					
At 31 January 2022	<u>5</u>	<u>44</u>	<u>352</u>	<u>264</u>	<u>665</u>
At 31 January 2021	<u>7</u>	<u>83</u>	<u>365</u>	<u>372</u>	<u>827</u>

12. Stocks

	2022 £000	2021 £000
Carbon credits	<u>3,481</u>	<u>-</u>

The carbon credits of £3,481,000 (2021: £Nil) are held for resale to customers to offset carbon emissions.

WINVIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

13. Debtors

	2022 £000	2021 £000
Due after more than one year		
Construction contract retentions	11,799	6,107
	<u>11,799</u>	<u>6,107</u>
Due within one year		
Trade debtors	107,687	103,622
Amounts owed by group undertakings	32,722	36,065
Other debtors	781	13,697
Prepayments and accrued income	312	275
Amounts recoverable on long term contracts	9,741	9,024
Construction contract retentions	29,343	23,006
	<u>180,586</u>	<u>185,689</u>

14. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Payments received on account	62,284	33,903
Trade creditors	92,639	107,692
Other taxation and social security	16,926	895
Subcontractor retentions	26,406	20,583
Other creditors	239	-
Accruals and deferred income	44,895	23,144
	<u>243,389</u>	<u>186,217</u>

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

	2022 £000	2021 £000
Subcontractor retentions	6,202	4,107
	<u>6,202</u>	<u>4,107</u>

WINVIC CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022

16. Deferred taxation

	2022 £000	2021 £000
At beginning of year	80	74
(Credited)/charged to profit or loss	(33)	6
At end of year	<u>47</u>	<u>80</u>

The provision for deferred taxation is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	<u>47</u>	<u>80</u>

17. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
99,750 Ordinary shares of £1.00 each	99,750	99,750
9,975 Ordinary A shares of £1.00 each	9,975	9,975
23,100 Ordinary B shares of £0.01 each	231	231
22,300 Ordinary C shares of £0.01 each	223	272
	<u>110,179</u>	<u>110,228</u>

During the year, 4,925 Ordinary C shares were repurchased by the company for a total consideration of £3,000 being equivalent to the original issue price.

The company's Ordinary shares carry full voting and dividend distribution rights and full rights to capital distributions.

The company's Ordinary A shares carry no voting rights but do confer a right to dividend distributions and full rights to capital distributions.

The company's Ordinary B shares and Ordinary C shares carry no rights to voting or dividend distributions and confer certain rights to capital distributions as prescribed in the company's articles.

WINVIC CONSTRUCTION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022**

18. Reserves

Share premium account

This represents the difference arising between the consideration less nominal value of shares issued. The share premium account is not distributable.

Profit and loss account

Represents all current and prior period accumulated profits and losses, less dividends paid.

19. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,651,000 (2021: £1,089,000).

20. Commitments under operating leases

At 31 January 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	£000	£000
Not later than 1 year	224	247
Later than 1 year and not later than 5 years	692	993
Later than 5 years	-	44
	<u>916</u>	<u>1,284</u>

21. Related party transactions

As the company is a wholly owned subsidiary of a company whose consolidated accounts include the results of the subsidiary and are publicly available, the company has taken advantage of the exemption contained within FRS 102 from the disclosure of transactions with group companies.

During the year, the company made sales of £3,943,000 (2021: £3,507,000) to companies in which some of the directors hold a significant interest. Amounts of £5,608,000 (2021: £5,883,000) and £961,000 (2021: £608,000) were included within trade debtors and amounts recoverable on long term contracts respectively.

The company also rents property from companies in which some of the directors hold a significant interest. Annual leases payable to these companies total £127,000 (2021: £94,000).

The company also rented property from the pension scheme. Annual leases payable to the pension scheme total £56,000 (2021: £120,000).

WINVIC CONSTRUCTION LIMITED

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22. Ultimate parent company

The company is a wholly controlled subsidiary undertaking of Winvic Group Limited.

Winvic Group Limited is the ultimate parent company, incorporated in the United Kingdom and is the largest and smallest group for which consolidated accounts are prepared. Consolidated financial statements can be obtained from Companies House, Cardiff, CF14 3UZ.

Winvic Group Limited is controlled by its principal shareholders S Girardier, S Hunt and D Ward.