

Company Registration Number: NI606408

ACTAVO (NORTHERN IRELAND) LIMITED
Report and Financial Statements
for the year ended
31 December 2021

COMPANIES HOUSE
30 SEP 2022
BELFAST

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ACTAVO (NORTHERN IRELAND) LIMITED

REPORT AND FINANCIAL STATEMENTS 2021

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ACTAVO (NORTHERN IRELAND) LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Brian Kelly
Barry O'Donnell (appointed 12 August 2021)

SECRETARY AND REGISTERED OFFICE

Brian Walsh (appointed 12 August 2021)
Units 14 & 15 Harbour Court
Sydenham Business Park
Belfast BT3 9HB
Northern Ireland

AUDITORS

Mazars
Chartered Accountants
& Statutory Audit Firm
Harcourt Centre
Block 3
Harcourt Road
Dublin 2

BANKERS

First Trust Bank
Belfast High Street
Belfast
BT1 2AL
Northern Ireland

ACTAVO (NORTHERN IRELAND) LIMITED

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2021.

1. REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

Actavo (Northern Ireland) Limited is a national support service provider primarily to the power, energy, civil engineering and telecommunications industries. Actavo (Northern Ireland) Limited is a wholly owned subsidiary of Actavo (Ireland) Limited.

These financial statements represent the activity and assets of Actavo (Northern Ireland) Limited as an entity only. The company's ultimate parent is Actavo Group Limited, a company incorporated in the Republic of Ireland. The Actavo Group is a leading international engineering solutions company operating in 100+ locations (across Ireland, UK, Saudi Arabia and the Caribbean region). Actavo's global workforce of over 1,700 delivers network, in-home, industrial, hire & sales, building and event solutions to the world's leading companies. Over the past 40 years, Actavo companies have been involved in some of the UK and Ireland's largest and most complex infrastructural projects, and our experience has given us a deep understanding of the industries we serve. Sectors in which the company specialises include power generation, marine, petrochemical, nuclear, home energy, satellite and telecommunications, education, healthcare, events services, civil engineering, water and construction.

The company adheres to best practice in employee welfare and complies in all material respects with environmental legislation and health and safety requirements. Health & Safety is at the core of the business and the investment in driving standards higher across the organisation through training & education of staff, has led once again to Actavo Group companies winning ROSPA (The Royal Society for the Prevention of Accidents) gold medal and Presidents Award along with NISO (National Irish Safety Organisation) awards including Utility Sector and Continuous High Achievement Awards. Actavo Group companies continued to maintain the external accreditations including OHSAS 18001, ISO 14001 and ISO 9001 accreditation along with the Smart Meter accreditations in the UK. The Group also achieved ISO 50001 Energy Management accreditation in line with their ESOS (UK) and Energy Reporting (ROI) requirements. The Group's safety statistics are among the best in the industry, with a Lost Time Accident Rate of 0.24 based on every 100,000 man-hours during the year ended 31 December 2021.

2021 was a challenging year for the business, with revenues falling 19.2% year on year to £6.6m (2020: £8.2m), while the EBITDA loss increased from £481k in 2020 to £1,462k in 2021. The business has however traded positively into 2022 and the directors are confident as to full year outlook.

The statement of financial position of the business remains in a robust condition, with reported Net Assets of £3.2m (2020: £4.8m).

ACTAVO (NORTHERN IRELAND) LIMITED

STRATEGIC REPORT

1. REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR (CONTINUED)

A summary of trading performance in 2021 & 2020 is set out in the table below:

	2021	2020
	£'000	£'000
Turnover	6,600	8,173
EBITDA	(1,462)	(481)
EBIT	(1,673)	(605)

The Company's principal financial instruments comprise cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which directly arise from its operations. It is, and has been throughout the year under review, the Company's policy that no trading of financial instruments shall be undertaken.

2. RISKS & UNCERTAINTIES

The main risks arising from the Company's financial instruments are price risk, credit risk and liquidity risk. The company follows the Group policies for managing each of these risks and they are summarised below:

(a) Price risk

The Company is exposed directly and indirectly to commodity price risk, given the nature of its operations. The Company seeks to minimise the adverse effect of the above risks by economies of purchasing, strong inventory management and developing good long-term relationships with multiple suppliers.

(b) Credit risk

The Company has implemented policies that require appropriate checks on potential customers before sales are made. Company management actively manages receivables through continuous monitoring of accounts receivables.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management requires maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

(d) Health and Safety

The company adheres to best practice regarding employee welfare and complies in all material respects with environmental legislation and health and safety requirements. Health & Safety is at the core of the business and the investment in driving standards higher across the organisation through training & education of staff, has led to the company winning ROSPA (The Royal Society for the Prevention of Accidents) Order of Distinction following 16 years of consecutive gold awards and counting.

ACTAVO (NORTHERN IRELAND) LIMITED

STRATEGIC REPORT

2. RISKS & UNCERTAINTIES (CONTINUED)
(d) Health and Safety (continued)

Actavo's ethos of performance excellence is anchored in over four decades of experience, during which time the company has been involved in large-scale and complex infrastructural projects. The experience amassed over this period has given the company a deep understanding of the industries it serves.

The Board would like to express its appreciation to both the current and new employees for the ongoing support and dedication to the business.

(e) Covid-19

The Actavo Group has weathered the worst effects of the pandemic crisis to date and is well positioned to resume normal level of operations in a speedy manner. Management continue to review changes to operations to ensure full compliance with government health and safety requirements.

The effect of Covid-19 presents many risks for the company and Actavo Group. Although the effects cannot be fully determined, the directors believe that the main risks and uncertainties associated with Covid-19 are as follows:

- a. a potential reduction in economic activity which may result in reduced spending and demand for the Company's services;
- b. a reduction in asset values;
- c. a prolonged period of government restrictions on the movement of people.

1. KEY PERFORMANCE INDICATORS

The business has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and the other financial risks. The principal key performance indicators used by management to monitor performance are as follows:

- Turnover;
- EBITDA (earnings before interest, tax, depreciation and amortisation);
- EBIT (earnings before interest, tax);
- Net Assets;
- ROCE (Return on Capital Employed);
- Debtors Days

A summary of KPI performance in current and prior is set out in the table below:

	2021	2020
Turnover (£'000)	6,600	8,173
EBITDA (£'000)	(1,462)	(481)
EBIT (£'000)	(1,673)	(605)
Net Assets (£'000)	3,160	4,843
ROCE (%)	(52.9%)	(12.6%)
Debtors Days	16	39

ACTAVO (NORTHERN IRELAND) LIMITED

STRATEGIC REPORT


3. KEY PERFORMANCE INDICATORS (CONTINUED)
Actavo Group Limited

The company is a wholly owned subsidiary of Actavo Group Limited. For the 12-month audited period to 31 December 2021, the business reported continuing revenues of €158.2m (2020 as restated: €144.4m) and Core Group Operating Profit of €2.3m (2020: €0.2m).

	Year to 31 December 2021	Year to 31 December 2020 As restated
	€m	€m
Turnover	158.2	144.4
Core group operating profit	2.3	0.2

The Actavo Group continues to hold a strong balance sheet to support the operational activities of its subsidiaries and joint ventures. Actavo Group reported Gross Assets of €94.2m at the year-end 2021 (2020: €140.2m) and Shareholders funds of €19.8m (2020: €7.8m).

On behalf of the Board



Barry O'Donnell
Director

28 September 2022

ACTAVO (NORTHERN IRELAND) LIMITED

DIRECTORS' REPORT

The directors present their report together with the audited financial statements for the year ended 31 December 2021.

1. PRINCIPAL ACTIVITIES

Actavo (Northern Ireland) Limited is a national support service provider primarily to the power, energy, civil engineering and telecommunications industries.

2. RESULTS AND DIVIDENDS

The company's Statement of Comprehensive Income and Statement of Financial Position for the year are set out on pages 15 and 16 respectively.

The directors do not propose a dividend for the year ended 31 December 2021.

3. DIRECTORS AND SECRETARY

The present membership of the board is outlined on page 2. Sean Lucey resigned as director on 31 August 2021.

In accordance with the articles of association the directors are not required to retire by rotation.

4. FINANCIAL RISK MANAGEMENT

The Company's principal financial instruments comprise cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is, and has been throughout the year under review, the Company's policy that no trading of financial instruments shall be undertaken.

In the normal course of business, the company is exposed to liquidity risk, credit risk and price risks.

5. ULTIMATE PARENT COMPANY

Actavo (Northern Ireland) Limited is a wholly owned subsidiary of Actavo (Ireland) Limited, a company incorporated in the Republic of Ireland.

The ultimate parent company is Actavo Group Limited, a company incorporated in the Republic of Ireland.

ACTAVO (NORTHERN IRELAND) LIMITED

DIRECTORS' REPORT

6. STRATEGIC REPORT

The Company has chosen in accordance with S.414C(11) Companies Act 2006 to set out in the Company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of principal risks and uncertainties and review of the business.

7. FUTURE DEVELOPMENTS

The development and consolidation of the company's existing activities will continue to be the main area of attention in the coming year.

8. RESEARCH AND DEVELOPMENT

The company did not engage in research and development activity during the year.

9. EVENTS SINCE THE YEAR END

There have been no significant events since the year end.

10. DISABLED EMPLOYEES

The Company's attitude concerning the employment of disabled persons is the same as that relating to all other staff in matters of recruitment, continuity of employment, training, development and promotion. Nevertheless, the Company is very conscious of the difficulties experienced by the disabled and takes account sympathetically of individual circumstances.

11. EMPLOYEE CONSULTATION

Employee involvement and commitment is the established responsibility of the Board of Directors and requires their participation. Regular contact and exchanges of information between managers and staff are maintained through departmental managers meetings and social functions. The Company promotes the principle of team briefing on a regular and continuous basis with the aim of ensuring that all employees are personally advised of the financial and commercial progress of the Company.

12. CHARITABLE AND POLITICAL CONTRIBUTIONS

The company made charitable or political contributions totalling £Nil in the current year (2020: £Nil).

ACTAVO (NORTHERN IRELAND) LIMITED

DIRECTORS' REPORT

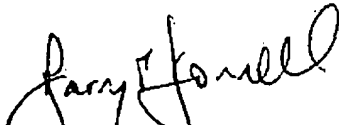
13. DISCLOSURE OF INFORMATION TO THE AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware; and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

14. AUDITORS

Mazars, Chartered Accountants and Statutory Audit Firm, have expressed their willingness to be reappointed in accordance with s485 of the Companies Act 2006.

On behalf of the Board



Barry O'Donnell
Director

28 September 2022

ACTAVO (NORTHERN IRELAND) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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

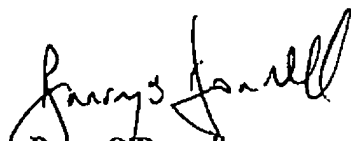
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 "The Reduced Disclosure Framework." Under company law, the directors must not approve the financial statements unless they are satisfied 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures being 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, 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.

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 the financial statements may differ from legislation in other jurisdictions.

On behalf of the Board



Barry O'Donnell
Director

28 September 2022

**INDEPENDENT AUDITOR'S REPORT TO THE
MEMBERS OF ACTAVO (NORTHERN IRELAND) LIMITED**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Actavo (Northern Ireland) Limited for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE
MEMBERS OF ACTAVO (NORTHERN IRELAND) LIMITED**

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditors' 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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE
MEMBERS OF ACTAVO (NORTHERN IRELAND) LIMITED**

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities including fraud

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:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- 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 the sector;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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 the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing and assessed whether judgements and assumptions made in determining the accounting estimates set out in note 4 were indicative of potential bias.

**INDEPENDENT AUDITOR'S REPORT TO THE
MEMBERS OF ACTAVO (NORTHERN IRELAND) LIMITED**

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with HMRC and the company's legal advisors.

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

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

Use of our report

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

**Emer O'Riordan
for and on behalf of
Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre
Block 3
Harcourt Road
Dublin 2**



DATE: 28 September 2022

ACTAVO (NORTHERN IRELAND) LIMITED**STATEMENT OF COMPREHENSIVE INCOME**

	Notes	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Turnover	5	6,600,182	8,173,063
Cost of sales		<u>(7,746,830)</u>	<u>(7,701,229)</u>
Gross (loss)/profit		(1,146,648)	471,834
Administrative expenses		(520,255)	(1,211,400)
Other income	6	—	<u>134,344</u>
Operating loss		(1,666,903)	(605,222)
Interest payable and similar charges	7	<u>(16,680)</u>	<u>(4,066)</u>
Loss on ordinary activities before taxation	8	(1,683,583)	(609,288)
Taxation	9	—	—
Loss for the financial year		(1,683,583)	(609,288)
Other comprehensive income		—	—
Total comprehensive loss		<u>(1,683,583)</u>	<u>(609,288)</u>

All turnover is in respect of continuing operations.

ACTAVO (NORTHERN IRELAND) LIMITED**STATEMENT OF FINANCIAL POSITION**

	Notes	31 December 2021 £	31 December 2020 £
FIXED ASSETS			
Tangible assets	12	124,028	90,255
Right of use assets	12A	<u>658,093</u>	<u>54,659</u>
		782,121	144,914
CURRENT ASSETS			
Inventories	13	1,693,873	1,050,076
Debtors	14	10,889,282	18,060,987
Cash at bank and in hand	15	<u>601,433</u>	<u>55,946</u>
		13,184,588	19,167,009
CREDITORS			
Amounts falling due within one year	16	<u>(10,334,985)</u>	<u>(14,468,696)</u>
NET CURRENT ASSETS			
		<u>2,849,603</u>	<u>4,698,313</u>
Amounts falling due after more than one year	17	<u>(472,080)</u>	—
TOTAL ASSETS LESS LIABILITIES			
		<u>3,159,644</u>	<u>4,843,227</u>
CAPITAL AND RESERVES			
Called up share capital	18	1,000	1,000
Profit and loss account		<u>3,158,644</u>	<u>4,842,227</u>
SHAREHOLDERS' FUNDS			
		<u>3,159,644</u>	<u>4,843,227</u>

On behalf of the Board



Barry O'Donnell
Director

28 September 2022

ACTAVO (NORTHERN IRELAND) LIMITED

STATEMENT OF CHANGES IN EQUITY

	Called Up Share Capital £	Profit and loss account £	Total £
At 31 December 2019	<u>1,000</u>	<u>5,451,515</u>	<u>5,452,515</u>
Loss for the year	-	(609,288)	(609,288)
Other comprehensive income	-	-	-
Total comprehensive income	<u>-</u>	<u>(609,288)</u>	<u>(609,288)</u>
At 31 December 2020	<u>1,000</u>	<u>4,842,227</u>	<u>4,843,227</u>
Loss for the year	-	(1,683,583)	(1,683,583)
Other comprehensive income	-	-	-
Total comprehensive income	<u>-</u>	<u>(1,683,583)</u>	<u>(1,683,583)</u>
At 31 December 2021	<u>1,000</u>	<u>3,158,644</u>	<u>3,159,644</u>

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Actavo (Northern Ireland) Limited, ("the Company"), is a private limited company. The registered address of the Company is Units 14 & 15 Harbour Court, Sydenham Business Park, Belfast, Northern Ireland, BT3 9HB.

The company is a national support service provider primarily to the power, energy, civil engineering and telecommunications industries.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

At the 31 December 2021 the Company had a net equity position of £3.2m (2020: £4.8m). The Company's current assets exceeded their current liabilities by £2.8m at 31 December 2021 (2020: £4.7m) and the Company incurred a net loss of £1.7m for the year ended 31 December 2021 (2020: loss £0.6m). At December 2021 the company had amounts owing to fellow Actavo Group companies of £7.7m (2020: £12.2m). At 31 December 2021 the company had also amounts receivable from fellow Actavo Group companies £10.3m (2020: £16.9m). The directors of the company have received an undertaking that these balances will not be called for a period of at least 12 months after the approval of the financial statements. Additionally, Actavo Group Limited group banking facilities which had been secured by debentures over the assets of the companies in the group and cross-guarantees from subsidiaries including this company were repaid in August 2021 and the Banks syndicate lenders have released all security held against the company.

The Actavo Group reported a net profit of €12.2m for the year ended 31 December 2021 (31 December 2020: net profit of €2.6m). The Group had a net operating cash inflow of €11.2m for the year ended 31 December 2021 (2020: €41.9m) and at the 31 December 2021 the Group had a net equity position of €19.8m (31 December 2020: €7.8m). The Group's current assets exceeded their current liabilities by €3.9m at 31 December 2021 (31 December 2020: current liabilities exceeded current assets by €33.7m). The core continuing business of the Group delivered operating profit of €2.3m in 2021 (2020: €0.2m), this coupled with the agreement from the Group's lenders to provide a new working capital facility in April 2022 provides a stable platform on which to grow and expand the business as trading conditions return to normal.

The Group continues to recover from the Covid-19 global pandemic. Management have taken steps to successfully shelter both the business as a whole and in particular its employees over this timeframe, implementing wide-ranging cost saving and asset protection initiatives while protecting employment through the use of Government supported schemes in both Ireland and the UK. Business activity returned to more normalised levels in 2021. On the basis of current and expected business performance in 2022, based on outlined governmental guidance and with the benefit of new bank facilities the Group and Company's financial statements have been prepared on a going concern basis.

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2006 and FRS 101 *Reduced Disclosure Framework*.

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (CONTINUED)

Outlined below are the principal accounting policies under FRS 101, which have been applied consistently.

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

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - (i) 10(d), (statement of cash flows),
 - (ii) 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - (iii) 16 (statement of compliance with all IFRS),
 - (iv) 38A (requirement for minimum of two primary statements, including cash flow statements),
 - (v) 8B-D (additional comparative information),
 - (vi) 40A-D (requirements for a third statement of financial position),
 - (vii) 111 (cash flow statement information), and
 - (viii) 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows';
- 101p8(i) – Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- 101p8(j) – Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- 101p8(k) – The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

The company is a wholly owned subsidiary of Actavo Group Limited and is consolidated into their publicly available group financial statements. These financial statements are available in the Companies Registration Office, Bloom House, Gloucester Place Lower, Dublin 1.

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**3.1 REVENUE RECOGNITION**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. The company recognises revenue in line with IFRS 15, Revenue from Contracts with Customers. IFRS 15 requires the identification of performance obligations in contracts, allocation of the contract price to the performance obligations and recognition of revenue as performance obligations are satisfied when control of a good or service transfers to a customer.

Rendering of services

Contracts are assessed to identify each promise to transfer either a distinct service or a series of distinct services that are substantially the same and have the same pattern of transfer to the customer. Services are distinct and accounted for as separate performance obligations if the customer can benefit from them either on their own or together with other resources readily available to the customer and they are separately identifiable in the contract. The integrated output nature of many of the services provided by the Company can result in contracts with one performance obligation.

The contract price represents the amount of consideration which the Company expects to receive in exchange for delivering the promised goods or services to the customer. Variable consideration is included in the contract price on the most likely outcome basis but only to the extent that it is highly probable that it will not reverse in the future. The Company's contracts typically do not include significant financing components.

Performance obligations are satisfied, and revenue recognised, as control services is transferred to the customer. Control can be transferred at a point in time or over time and the Company determines, for each performance obligation, whether it is satisfied over time or at a point in time. Performance obligations are satisfied over time if any of the following criteria are satisfied:

- the customer simultaneously receives and consumes the benefits of the Company's performance as it performs; or
- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for work done; or
- the Company's performance creates or enhances an asset controlled by the customer.

Some of the Company's service and construction contracts meet the requirements to satisfy performance obligations and recognise revenue over time. Where the Company satisfies performance obligations over time, revenue is recognised using costs incurred as a proportion of total estimated costs to assess stage of completion, but with the stage of completion and revenue assessed in relation to each performance obligation. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred where it is probable that these costs will be recoverable. The stage of completion is also typically reassessed by suitably qualified and experienced Company or third-party personnel to assess the stage of completion of performance obligations.

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.1 REVENUE RECOGNITION (CONTINUED)**

If a performance obligation is not satisfied over time, then revenue is recognised at the point in time that control is transferred to the customer which is assessed to be at the point of customer acceptance.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense. Revenue and/or costs in respect of variations or contracts claims and incentive payments, to the extent that they arise, are recognised when it is probable that the amount, which can be measured reliably, will be recovered from/paid to the customer. If circumstances arise that may change the original estimates of revenues, costs or extent of progress towards completion, estimates are revised. These revisions may result in increases or decreases in revenue or costs and are reflected in income in the period in which the circumstances that give rise to the revision became known by management.

3.2 RETIREMENT BENEFIT COSTS

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to an external pension scheme for the sole benefit of qualifying employees across the Company are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

3.3 EMPLOYEE LEAVE ENTITLEMENT

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

3.4 INCOME TAX

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the Statement of Financial Position liability method. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.4 INCOME TAX (CONTINUED)**

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Company expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale.

Deferred tax is charged or credited to Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
3.5 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in Statement of Comprehensive Income for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in Statement of Comprehensive Income for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity.

For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

3.6 TANGIBLE ASSETS

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs 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. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in Statement of Comprehensive Income when incurred.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

	Annual rate
Plant & Hire equipment	5 years
Leasehold improvements	5 years
Fixture & fittings & office equipment	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Depreciation methods, useful lives and residual values are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation period or method as appropriate on a prospective basis and are shown as provision movements in the related note to the financial statements.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in Statement of Comprehensive Income. Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.7 IMPAIRMENT OF TANGIBLE ASSETS**

The company reviews the carrying amounts of its tangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the 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 an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.8 INTANGIBLE ASSETS**Computer software**

Computer software separately acquired, including computer software which is not an integral part of an item of computer hardware, is stated at cost less any accumulated amortisation and any accumulated impairment losses. Cost comprises purchase price and other directly attributable costs.

Computer software is recognised as an asset only if it meets the following criteria:

- an asset can be separately identified;
- it is probable that the asset created will generate future economic benefits;
- the development cost of the asset can be measured reliably;
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Costs relating to the development of computer software for internal use are capitalised once the recognition criteria outlined above are met. Computer software is amortised over its expected useful life, which ranges from 3 to 7 years, by charging equal annual instalments to the Statement of Comprehensive Income. Amortisation commences when the assets are ready for use.

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.9 FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through Statement of Comprehensive Income.

Financial assets

All financial assets are recognised on a trade date - the date on which the company commits to purchase or sell the asset. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through Statement of Comprehensive Income, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at fair value through Statement of Comprehensive Income; held-to-maturity investments; loans and receivables; and available-for-sale financial assets. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Loans and receivables

The company's loans and receivables comprise trade and other receivables, amounts due from contract customers, bank balances and fixed deposits. Such loans and receivables are non-derivatives with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than FVTPL, are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in Statement of Comprehensive Income.

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.9 FINANCIAL INSTRUMENTS (CONTINUED)**

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through Statement of Comprehensive Income to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments**Classification as debt or equity**

Financial liabilities and equity instruments issued by Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through Statement of Comprehensive Income or other financial liabilities.

Financial liabilities are classified as at fair value through Statement of Comprehensive Income if the financial liability is either held for trading or it is designated as such upon initial recognition.

Other financial liabilities**Trade and other payables**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**3.9 FINANCIAL INSTRUMENTS (CONTINUED)****Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

3.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

3.11 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

3.12 GOVERNMENT GRANTS AND GOVERNMENT ASSISTANCE

Government grants and government assistance represent the transfers of resources to the company from the government in return for past or future compliance with certain conditions relating to the company's operating activities. Income-related government grants are recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. The company accounts for these government grants in profit or loss via offset against the related expenditure.

Assistance from the government under the Coronavirus Job Retention Scheme (CJRS) is recognised on the statement of income in the month during which the relevant wages were paid, subject to conditions being met.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The Company makes judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources in the application of the Company accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY**4.1 KEY SOURCES OF ESTIMATION AND UNCERTAINTY**

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 discussed below.

Impairment of trade and other receivables

The Company assesses its loans and receivables on a continuous basis for any objective evidence of impairment by considering factors, including the ageing profile, the creditworthiness and the past collection history of each debtor. If the financial conditions of these debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The carrying amounts of the Company's trade receivables net of impairment as at 31 December 2021 were £325,331 (2020: £729,619) (Note 14).

Depreciation of property, plant and equipment

The Company depreciates the property, plant and equipment and right of use assets over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Company intends to derive future economic benefits from the use of the Company's property, plant and equipment. The residual value reflects management's estimated amount that the Company would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges.

The carrying amounts of the Company's property, plant and equipment at 31 December 2021 were £124,028 (2020: £90,255) (Note 12), and right of use assets of £658,093 (2020: £54,659) (Note 12A)

Revenue recognition and WIP valuation

The Company uses the percentage-of-completion method in accounting for its long-term service contracts. Use of the percentage-of-completion method requires the group to estimate the services performed to date as a proportion of the total services to be performed. This estimate is completed by experienced management personnel based on information received from the onsite teams. Actual service is monitored against approved contract budgets and expectations with provisions for losses made at the earliest known possibility. The Company's carrying amount of WIP at 31 December 2021 was £1,341,716 (2020: £877,293) (Note 13).

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. TURNOVER

The turnover is attributable to the principal activity of the company. The analysis of turnover is as follows:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
United Kingdom	<u>6,600,182</u>	<u>8,173,063</u>
Analysed as - Rendering of services	<u>6,600,182</u>	<u>8,173,063</u>

6. OTHER INCOME

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Coronavirus Job Retention Scheme	<u>-</u>	<u>134,334</u>

As a result of the impact of the Covid-19 pandemic on the Company, the Company availed of the UK government scheme in relation to wage subsidies. The Company availed of the Coronavirus Job Retention Scheme in the UK from 1 April 2020 to 31 December 2020.

Up to 30 June 2020, the scheme only applied for furloughed employees and employees still working in the Company were not eligible. From 1 July 2020, the UK government introduced a flexible furlough scheme where employees can work part time and an employer can claim subsidies which are passed on to employees for the hours not worked. In order to be eligible for the scheme, employees must have been on at least a three week furlough period prior to 10 June 2020.

The Company was in compliance with all the conditions of the scheme during the year ended 31 December 2020. No amounts were received in respect of 2021.

7. INTEREST EXPENSE

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Interest on IFRS 16 lease obligations	<u>16,680</u>	<u>4,066</u>

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Loss before taxation on ordinary activities is stated after charging:		
Depreciation of tangible fixed assets	65,512	65,058
Amortisation of intangible fixed assets	-	1,129
Amortisation of right of use assets	145,080	58,041
Services provided by the company's auditors:		
- Fees payable for the audit	11,452	11,452
- Fees payable for other services	-	-
Directors' remuneration (Note 11)	<u>-</u>	<u>-</u>

9. TAXATION	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Current year tax		
Corporation tax	-	-
Deferred tax	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The tax charge for the year is different from the charge that would result from applying the standard rate of corporation tax to the profits on ordinary activities. The differences are explained as follows:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Loss on ordinary activities before taxation	<u>(1,683,583)</u>	<u>(609,288)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in UK of 19.0% (2020: 19.00%)	(319,881)	(115,765)
Effects of:		
Expenses not deductible for tax purposes	-	-
Depreciation in excess of capital allowances	2,370	8,133
Surrender/utilisation of group relief	317,224	107,440
Provisions tax adjustment	<u>287</u>	<u>192</u>
Total taxation	<u>-</u>	<u>-</u>

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10. EMPLOYEES

The average monthly number of employees (including directors) during the year was:

	Year ended 31 December 2021 Number	Year ended 31 December 2020 Number
Operational staff	107	112
Management & administration staff	<u>10</u>	<u>10</u>
	<u>117</u>	<u>122</u>

The payroll costs for these persons were as follows:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Wages and salaries	3,207,723	3,058,468
Social security costs	336,199	289,825
Other compensation cost	8,379	4,376
Retirement benefit cost	<u>60,533</u>	<u>64,505</u>
	<u>3,612,834</u>	<u>3,417,174</u>

11. DIRECTORS' EMOLUMENTS

The directors serving during the year were also directors of other group companies, the ultimate parent company, and/or other wholly owned subsidiaries of the group. The directors do not believe it is practical to apportion their emoluments between their qualifying services as directors of the company and as directors of other group undertakings. The financial records of the company include no amounts paid specifically to directors and accordingly, their emoluments from the company are assumed to be Nil. The emoluments of the directors are disclosed in the financial statements of Actavo Group Limited and Actavo (Ireland) Limited, being the entities within which their cost is recorded.

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

12. TANGIBLE ASSETS	Plant & Hire Equipment	Fixtures & Fittings Office Equipment	Leasehold Improvements	Motor Vehicle	Total
Cost	£	£	£	£	£
At 31 December 2020	349,364	415,534	71,339	-	836,237
Additions	<u>13,485</u>	<u>36,600</u>	-	<u>49,200</u>	<u>99,285</u>
At 31 December 2021	<u>362,849</u>	<u>452,134</u>	<u>71,339</u>	<u>49,200</u>	<u>935,522</u>
Accumulated Depreciation					
At 31 December 2020	307,628	382,471	55,883	-	745,982
Charge for year	<u>21,608</u>	<u>26,517</u>	<u>14,268</u>	<u>3,119</u>	<u>65,512</u>
At 31 December 2021	<u>329,236</u>	<u>408,988</u>	<u>70,151</u>	<u>3,119</u>	<u>811,494</u>
Net Book Amount					
At 31 December 2020	<u>41,736</u>	<u>33,063</u>	<u>15,456</u>	-	<u>90,255</u>
At 31 December 2021	<u>33,613</u>	<u>43,146</u>	<u>1,188</u>	<u>46,081</u>	<u>124,028</u>

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

12A. RIGHT OF USE ASSETS

	Land & Buildings £	Motor Vehicles £	Total £
2021			
<i>Cost</i>			
At 1 January 2021	153,827	13,531	167,358
Additions	—	<u>748,514</u>	<u>748,514</u>
At 31 December 2021	<u>153,827</u>	<u>762,045</u>	<u>915,872</u>
<i>Accumulated depreciation</i>			
At 1 January 2021	102,551	10,148	112,699
Charge for the financial year	<u>51,276</u>	<u>93,804</u>	<u>145,080</u>
At 31 December 2021	<u>153,827</u>	<u>103,952</u>	<u>257,779</u>
<i>Carrying amount</i>			
At 31 December 2021	<u>—</u>	<u>658,093</u>	<u>658,093</u>
	Land & Buildings £	Motor Vehicles £	Total £
2020			
<i>Cost</i>			
At 1 January 2020	153,827	13,531	167,358
Additions	—	—	—
At 31 December 2020	<u>153,827</u>	<u>13,531</u>	<u>167,358</u>
<i>Accumulated depreciation</i>			
At 1 January 2020	51,276	3,383	54,659
Charge for the financial year	<u>51,275</u>	<u>6,765</u>	<u>58,040</u>
At 31 December 2020	<u>102,551</u>	<u>10,148</u>	<u>112,699</u>
<i>Carrying amount</i>			
At 31 December 2020	<u>51,276</u>	<u>3,383</u>	<u>54,659</u>

ACTAVO (NORTHERN IRELAND) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****13. INVENTORIES**

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Work in progress	1,341,716	877,293
Material stock	<u>352,157</u>	<u>172,783</u>
	<u>1,693,873</u>	<u>1,050,076</u>

There are no material differences between the replacement cost of inventories and the year-end balances. Inventory is stated after provisions for impairments of £Nil (2020: £Nil)

14. DEBTORS

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Amounts due within one year:		
Trade debtors	84,427	488,715
Prepayments and other debtors	222,724	439,456
Amounts owed by group company (Note 21)	<u>10,341,227</u>	<u>16,891,912</u>
	<u>10,648,378</u>	<u>17,820,083</u>
Amounts due after one year:		
Trade debtors	<u>240,904</u>	<u>240,904</u>
	<u>10,889,282</u>	<u>18,060,987</u>

Trade and other receivables are non-interest bearing and are generally due within 30-90 days. The fair value of trade and other receivables approximates to their carrying amounts due to their short-term nature. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable.

The allowance for doubtful debts was £Nil (2020: £Nil).

Amounts due after one year relate to retentions from customers. These amounts are not discounted as the directors are of the view that the effect of discounting is not material.

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

15. CASH AND CASH EQUIVALENTS	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Cash at bank and in hand	<u>601,433</u>	<u>55,946</u>
16. CREDITORS 31 December	Year ended 31 December 2021 £	Year ended 2020 £
Amounts falling due within one year		
Trade creditors	869,347	926,582
VAT	253,417	325,483
Payroll taxes	118,693	49,177
Retentions, other creditors and accruals	1,255,114	912,430
IFRS 16 lease obligations (Note 17)	175,019	56,624
Amounts owed to group company (Note 21)	<u>7,663,395</u>	<u>12,198,400</u>
	<u>10,334,985</u>	<u>14,468,696</u>
Amounts falling due after more than one year		
IFRS 16 lease obligations (Note 17)	<u>472,080</u>	—

The carrying amounts of trade and other payables approximate their fair value largely due to their short-term nature.

The repayment terms of trade payables vary between on demand and 90 days. No interest is payable on trade payables. The terms of other payables and accruals are based on the underlying contracts.

The amounts due to group companies are unsecured, interest free and repayable on demand when the cash flow of the borrower permits.

Tax and social insurance are subject to the terms of the relevant legislation.

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

17. LEASE OBLIGATIONS	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Current lease liabilities	175,019	56,624
Non-current lease liabilities	<u>472,080</u>	<u>-</u>
	<u>647,099</u>	<u>56,624</u>

The Company's total lease liability over the years are as follows:

	31 December 2021 £'000	31 December 2020 £'000
Opening liability	56,624	114,622
Additions for the year	748,515	-
Interest for the year	16,680	4,066
Operating lease expense for the year	<u>(174,720)</u>	<u>(62,064)</u>
Closing lease liability	<u>647,099</u>	<u>56,624</u>

The Company's leases include rental of building spaces for business use and right of use of motor vehicles. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental repayments. The operating lease terms range from 1 to 3 years depending on the term set in the contract. The effective interest rates charged during the financial year is 4.71% (2020: 4.71%) per annum which reflects the average borrowing rate on the loans drawn by the Company in 2021.

The movement of the carrying amount of the right-of-use assets of the Company at the start and end of each reporting period is disclosed in Note 13A.

18. CALLED UP SHARE CAPITAL	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Allotted, called up and fully paid 1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

19. BANK SECURITY

At 31 December 2020, the Actavo Group Limited group bank facilities were secured by debentures over the assets of companies in the group and cross guarantees from subsidiaries. In August 2021, the group's bank facilities were repaid and the Banks syndicate lenders have released all security held against the company.

ACTAVO (NORTHERN IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL COMMITMENTS

There were no financial commitments at 31 December 2021 (2020: £Nil).

21. RELATED PARTY TRANSACTIONS

The company has availed of the exemption contained in FRS 101 in respect of disclosure of related party transactions whereby group companies, 100 per cent of whose voting rights are controlled within the group, do not have to disclose details of transactions with other group companies.

22. ULTIMATE PARENT COMPANY

Actavo (Northern Ireland) Limited is a wholly owned subsidiary of Actavo (Ireland) Limited.

The ultimate parent company is Actavo Group Limited, a company incorporated in the Republic of Ireland.

23. SUBSEQUENT EVENTS

There have been no significant events since year end.

24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the directors on 28 September 2022.