

Company registration number 00255476 (England and Wales)

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

# PHOENIX ME LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr Lee Compton Mr Stewart Crane Mr Alan Tarrant Mr Duncan McArthur Mr Terence Hussey Mr Dean Marler	(Appointed 1 April 2022) (Appointed 1 April 2022)
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<b>Secretary</b>	Mr Duncan McArthur
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<b>Company number</b>	00255476
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<b>Registered office</b>	1st Floor 25 Camperdown Street London England E1 8DZ
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<b>Auditor</b>	HJS Accountants Limited Tagus House 9 Ocean Way Southampton Hampshire United Kingdom SO14 3TJ
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# PHOENIX ME LIMITED

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# PHOENIX ME LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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The Directors present the strategic report for the year ended 30 September 2022.

The company has continued to operate within the Data Centre, Life Science, Commercial Offices and Hotel and Leisure sectors.

#### **Fair review of the business**

2022 has been a successful year for the company with both a turnover and net profit ratio increase on the previous year. The company has continued to deliver within the Fit Out, Commercial Office, Pharmaceutical & Data Centre sectors all in the UK, undertaking works for clients including Battersea Power Station, Astra Zeneca, Barclays & CyrusOne along with our usual Main Contractor clients.

The Construction Industry is very buoyant at the moment and we have been working on an unprecedented amount of new project opportunities. We moved into the new financial year with a very strong order book for the next two years and are confident that our turnover will significantly increase going forward.

Our secured position at the start of this year is higher than it's ever been with Data Centres now making up 30% of our turnover going forward.

Phoenix ME Limited continue to support their strong market brand through successful delivery, focus on health and safety and retention of high performing dependable staff which has resulted in the net profit margin growing year on year.

At the close of the September 2022 financial year, Phoenix had secured 80% of the forecast total revenue for 2023 through repeat business and continuing approach to negotiating with the current established client base. The business will see the September 2023 financial year return similar profit ratio figures.

The ongoing impact of Brexit and the Russia/Ukraine conflict has resulted in significant cost increases to materials and labour which has impacted on the costs of winning new work and also work that has already been secured. It is also affecting our ability to secure new Data Centre work in Europe, although we are currently tendering some new opportunities.

#### **Principal risks and uncertainties**

We continue to be selective with our customer base and also maintain our policy to credit insure against insolvency. A thorough quality assurance process is undertaken for all companies that Phoenix ME trade with to ensure risk and uncertainty is avoided throughout.

Cashflow and liquidity of the business are monitored at a project and company level on a regular basis, with any risks and uncertainty addressed when identified.

Brexit creates risks and uncertainty for projects in the UK and EU. As Phoenix ME has no future project exposure outside the UK the company is able to fully assess the financial and operational requirements of working overseas post-Brexit prior to commencing any new projects. Phoenix ME is in constant dialogue with our suppliers who source products from the EU and the rest of the world to guarantee delivery of materials to agreed timelines and prices.

#### **Financial risk management objectives and policies**

A strict policy of the group is to closely monitor the performance of each project so that we have sight of any emerging risks very early. Each project is reviewed in detail monthly by the Directors to ensure that we mitigate any unexpected risks as they occur.

#### **KPI's & Financial Highlights**

- Year on Year turnover is up by £20M, a 14% increase.
- Gross Profit Margin achieved for the year was 14.5% (2021: 14.9%).
- Net Profit before Tax was 4.6% (2021: 3.5%).
- Cash at bank at the year-end was £24.1M (2021: £23.4M).

# PHOENIX ME LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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### **Section 172 Statement**

Section 172 of the Companies Act 2006 requires that the Directors act in a way that they consider to be in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders and in doing so have regard to:

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

The Directors have complied with these requirements. A regular strategic board meeting is held with all key decisions taken with a view to the long term health of the Company. Phoenix ME regards the satisfaction and retention of staff, clients and suppliers as a key factor in the continued success of the Company, with decisions being taken that consider the views of all of these stakeholders.

On behalf of the board

Mr Duncan McArthur  
**Director**

8 June 2023

# PHOENIX ME LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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The directors present their annual report and financial statements for the year ended 30 September 2022.

#### Principal activities

The principle activity of the company is Mechanical and Electrical Engineering and Construction Services. Our main work sectors are Commercial, Data Centres, Education, Public sector and some Residential schemes.

#### Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £3,000,000 (2021: nil). The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Lee Compton

Mr Stewart Crane

Mr Alan Tarrant

Mr Duncan McArthur

Mr Terence Hussey

(Appointed 1 April 2022)

Mr Dean Marler

(Appointed 1 April 2022)

#### Research and development

The company has carried out innovative energy and cost saving engineering for mechanical and electrical design which has resulted in R&D tax credits.

#### Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

#### Future developments

The company will continue to invest in growing sales through its existing customer base and exploring new customers.

#### Auditor

The auditors, HJS Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

# PHOENIX ME LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### Energy and carbon report

	2022 kWh	2021 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	42,733	477,428
- Electricity purchased	178,615	209,679
- Fuel consumed for transport	-	59,217
	<u>221,348</u>	<u>746,324</u>

	2022 Metric tonnes	2021 Metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	8.77	87.90
- Water usage	1.07	-
- Fuel consumed for owned transport	15.12	7.46
	<u>24.96</u>	<u>95.36</u>
Scope 2 - indirect emissions		
- Electricity purchased	69.87	156.60
Scope 3 - other indirect emissions		
- Emissions from Well-to-tank	20.54	-
- Fuel consumed for transport not owned by the	7.18	-
- Fuel consumed for transmission and distribution	3.64	-
	<u>126.19</u>	<u>251.96</u>
Total gross emissions		
	<u>126.19</u>	<u>251.96</u>
<i>Intensity ratio</i>		
CO2e per £m turnover	1.12	1.8

### Quantification and reporting methodology

Our report includes scope 1 and scope 2 measures for our head office and our warehouse.

Both the office use energy and transport energy are included in the total energy calculation.

The gas, electric and water usage data has been calculated from online bills and meter readings. Transport fuel has been calculated by mileage reported and documented by employees.

We have seen a decrease in emissions since last year. This due to excluding scope 3 emissions which were incorrectly reported in scope 2 section last year, we have now accurately reflected these within the accounts.

### Intensity measurement

The financial year turnover was £160m giving relative emissions of 1.12tCO2e/£m turnover. We have seen a decrease due to correct reporting and company-wide encouragement of energy and water saving.

### Measures taken to improve energy efficiency

The following actions have been taken in order to improve energy and carbon savings

- Ensure aircon and space heater put on appropriate timers.
- Introduced PIR lighting
- Ensured all lighting/heating/aircon are turned off when the storage room is not in use
- Ensured skylights are regularly cleaned to allow natural lighting in the storage room

# PHOENIX ME LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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### Strategic report

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

### Statement of disclosure to auditor

Each of the directors in office at the date of approval of this annual report confirms 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 he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Other Risks

#### Price

This year prices have eased a little and we have been securing work at slightly better margins although there are still signs that some competitors are being aggressive with their pricing. With a strong order book we are able to decline any business that is too competitive.

In order to maintain the balance of winning work at reasonable margins we have to manage our relationships better than ever and ensure that we maintain an excellent performance throughout the life of the contract and during the tender process. We have commenced a process of customer feedback on every project at various stages to enable us to focus on improving our service level. Ensuring we have the right supply chain and constantly monitoring operational and overhead costs enables us to work effectively in the market.

#### Credit

The company is exposed to credit risk on its trade and other receivables due to the credit terms offered to its customers, this risk is managed as set out in the accounting policy notes (Note 1). In the opinion of the directors there is no particular credit risk in any one customer. It is confirmed that the fair value of trade receivables is not materially different from the carrying value. Trade receivables are not interest bearing.

#### Liquidity

The company has policies that require appropriate credit checks on potential customers before sales are made.

#### Cash Flow

Financial management of our projects is critical to improving our cash flow so careful review of both upstream and downstream accounts is essential ensuring that our accounts are paid in line with terms. Our board spends a great deal of their time managing this well. The company is exposed to exchange rate risk due to their work overseas. To reduce this risk the company forward buys foreign exchange contracts to offset the income being received and reduce the impact of adverse exchange rate movements.

### Financial risk management objectives and policies

Risks are a constant agenda item and are formally and regularly reviewed by the Board with appropriate processes in place to monitor and mitigate them.

Mr Duncan McArthur  
**Director**

8 June 2023



## **PHOENIX ME LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2022***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# PHOENIX ME LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF PHOENIX ME LIMITED

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#### Opinion

We have audited the financial statements of Phoenix ME Limited (the 'company') for the year ended 30 September 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

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

#### Opinions on other matters prescribed by the Companies Act 2006

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

# PHOENIX ME LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF PHOENIX ME LIMITED

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#### 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as Employment Law and Health & Safety regulations. We also considered the laws and regulations which have a direct impact on the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgmental areas of the financial statements.

Audit procedures performed by the audit engagement team included:

- Discussions with senior management, including consideration of known or suspected instances of noncompliance with laws and regulations or instances of fraud;
- Identifying and testing journal entries based on risk criteria;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Testing transactions entered into outside of the normal course of the company's business;
- Reviewing any potential litigation or claims against the entity which indicate any potential noncompliance issues.

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

## **PHOENIX ME LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF PHOENIX ME LIMITED**

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

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

**Angela Trainor (Senior Statutory Auditor)**  
**For and on behalf of HJS Accountants Limited**  
**Chartered Accountants and Statutory Auditor**

14 June 2023

Tagus House  
9 Ocean Way  
Southampton  
Hampshire  
United Kingdom  
SO14 3TJ

## PHOENIX ME LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £ '000	2021 £ '000
Turnover	3	160,055	140,143
Cost of sales		(136,713)	(119,242)
<b>Gross profit</b>		<b>23,342</b>	<b>20,901</b>
Administrative expenses		(15,822)	(16,098)
Other operating income		-	105
<b>Operating profit</b>	<b>4</b>	<b>7,520</b>	<b>4,908</b>
Interest receivable and similar income	8	23	49
Interest payable and similar expenses	9	(3)	-
Amounts written off investments	10	(177)	-
<b>Profit before taxation</b>		<b>7,363</b>	<b>4,957</b>
Tax on profit	11	(1,636)	(1,305)
<b>Profit for the financial year</b>		<b>5,727</b>	<b>3,652</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

## PHOENIX ME LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022 £ '000	2021 £ '000
Profit for the year	5,727	3,652
Other comprehensive income		
Cash flow hedges gain/(loss) arising in the year	-	(66)
Tax relating to other comprehensive income	-	13
Other comprehensive income for the year	-	(53)
Total comprehensive income for the year	5,727	3,599

# PHOENIX ME LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2022

		2022		2021	
	Notes	£ '000	£ '000	£ '000	£ '000
<b>Fixed assets</b>					
Tangible assets	13		241		371
Investments	14		252		252
			<u>493</u>		<u>623</u>
<b>Current assets</b>					
Stocks	18	91		91	
Debtors falling due after more than one year	19	3,225		1,813	
Debtors falling due within one year	19	59,766		39,147	
Investments	20	2,000		2,000	
Cash at bank and in hand		24,108		23,374	
		<u>89,190</u>		<u>66,425</u>	
<b>Creditors: amounts falling due within one year</b>	21	(56,402)		(37,094)	
<b>Net current assets</b>			<u>32,788</u>		<u>29,331</u>
<b>Total assets less current liabilities</b>			<u>33,281</u>		<u>29,954</u>
<b>Creditors: amounts falling due after more than one year</b>	22		(2,508)		(1,896)
<b>Provisions for liabilities</b>			<u>(54)</u>		<u>(66)</u>
<b>Net assets</b>			<u><u>30,719</u></u>		<u><u>27,992</u></u>
<b>Capital and reserves</b>					
Called up share capital	25		5,022		5,022
Profit and loss reserves			25,697		22,970
<b>Total equity</b>			<u><u>30,719</u></u>		<u><u>27,992</u></u>

The financial statements were approved by the board of directors and authorised for issue on 8 June 2023 and are signed on its behalf by:

Mr Duncan McArthur  
Director

Company Registration No. 00255476

# PHOENIX ME LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

		Share capital	Hedging reserve	Profit and loss reserves	Total
	Notes	£ '000	£ '000	£ '000	£ '000
<b>Balance at 1 October 2020</b>		5,022	53	19,318	24,393
<b>Year ended 30 September 2021:</b>					
Profit for the year		-	-	3,652	3,652
Other comprehensive income:					
Cash flow hedges gains		-	(66)	-	(66)
Tax relating to other comprehensive income		-	13	-	13
Total comprehensive income for the year		-	(53)	3,652	3,599
<b>Balance at 30 September 2021</b>		5,022	-	22,970	27,992
<b>Year ended 30 September 2022:</b>					
Profit and total comprehensive income for the year		-	-	5,727	5,727
Dividends	12	-	-	(3,000)	(3,000)
<b>Balance at 30 September 2022</b>		5,022	-	25,697	30,719



# PHOENIX ME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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### **1 Accounting policies**

#### **Company information**

Phoenix ME Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1st Floor, 25 Camperdown Street, London, England, E1 8DZ.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# PHOENIX ME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.3 Turnover

##### Construction contracts

All revenue is derived from construction contracts.

Contract revenue is measured at the fair value of the consideration received or receivable and includes the initial amount of revenue agreed in the contract, plus variations, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being measured reliably. Revenue is stated net of discounts, VAT and other sales related taxes.

##### Interest income

Interest income is accrued on a time basis in accordance with the effective interest rate method.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% Straight line
Computer equipment	33% Straight line
Motor vehicles	25% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Fixed asset investments

Investment in subsidiaries is held at cost less any provision for impairment.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.6 Impairment of fixed assets

Tangible fixed assets are reviewed annually by the directors for impairment. Any impairment is taken to the profit and loss account.

#### 1.7 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is on the FIFO basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The provision for obsolete and slow moving stock is determined by reviews of stock, its ageing and rate of sale. Provisions are made which enable such obsolete stock and slow moving stock to be sold at no loss.

# PHOENIX ME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.8 Construction contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and costs are recognised by reference to the degree of completion of each contract, as measured by quantity surveyors.

Incentive payments and variations arising from construction contracts are included where they have been agreed with the client.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable these costs will be recoverable.

The principal estimation technique used by the company in attributing profit on contracts to a particular period is the preparation of forecasts on a contract by contract basis. These focus on revenues and costs to complete and enable an assessment to be made of the final out turn of each contract. Consistent contract review procedures are in place in respect of contract forecasting.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately. Contract costs are recognised as expenses in the period within which they have incurred.

Where costs incurred plus recognised profits less recognised losses exceed progress billings, the balance is shown as due from customers on construction contracts within trade and other receivables. Where progress billings exceed costs incurred plus recognised profits less recognised losses, the balance is shown as due to customers on construction contracts within trade and other payables.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial instruments

The company only enters into Basic financial instrument transactions.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# PHOENIX ME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 1 Accounting policies

(Continued)

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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 have been affected. The impairment loss is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

# PHOENIX ME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.12 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### 1.13 Hedge accounting

Derivative financial instruments are classified as cash flow hedges when they hedge the company's exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecasted transaction. The effective element of any gain or loss from remeasuring the derivative instrument is recognised directly in other comprehensive income.

The associated cumulative gain or loss is reclassified from the other comprehensive income and recognised in the Income Statement in the same period during which the hedged transaction affects the Income Statement. The classification of the effective portion when recognised in the Income Statement is the same as the classification of the hedged transaction.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

For derivatives that are designated and qualify as cash flow hedges, the effective portion of changes in the fair value of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Any gain or loss previously recognised in other comprehensive income is reclassified to profit or loss when the hedge relationship ends. This occurs when the hedging instrument expires or no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised, or the hedging instrument is terminated.

#### 1.14 Taxation

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

##### **Current tax**

The current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

# PHOENIX ME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on 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 is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date 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 which the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax balances have not been discounted.

#### **1.15 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.16 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.17 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.18 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### **1.19 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# PHOENIX ME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.20 Research and development

Research expenditure is written off to the statement of financial position 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.

#### 1.21 Capital Management

The group manages its equity as capital. Equity comprises the items detailed within the principal accounting policy for equity and financial details can be found in the balance sheet. The group adheres to the capital maintenance requirements set out in the Companies Act.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

#### Construction contracts

The main area of estimation uncertainty are the construction contracts. Firstly profit is only recognised when the outcome of the project can be reliably estimated. There is uncertainty here that the outcome is incorrectly considered to be profitable.

Secondly when the project outcome can be reliably estimated the stage of completion is based on the billing to date and costs are recognised in order to include profit at the forecast overall margin on the job. There is some uncertainty over estimating future costs and any additional work or extras which may occur.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022 £ '000	2021 £ '000
Turnover analysed by class of business		
Construction contracts	160,055	140,143
	<u>160,055</u>	<u>140,143</u>
	2022 £ '000	2021 £ '000
Turnover analysed by geographical market		
United Kingdom	160,055	135,970
Europe	-	4,173
	<u>160,055</u>	<u>140,143</u>

# PHOENIX ME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 3 Turnover and other revenue (Continued)

	2022	2021
	£ '000	£ '000
<b>Other significant revenue</b>		
Grants received	-	105
	<u>          </u>	<u>          </u>

### 4 Operating profit

	2022	2021
	£ '000	£ '000
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(4)	486
Government grants	-	(105)
Fees payable to the company's auditor for the audit of the company's financial statements	33	33
Depreciation of owned tangible fixed assets	169	185
Operating lease charges	882	929
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2022	2021
	£ '000	£ '000
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	33	33
	<u>          </u>	<u>          </u>

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Contracting	261	259
Administration	50	48
	<u>          </u>	<u>          </u>
Total	311	307
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2022	2021
	£ '000	£ '000
Wages and salaries	24,255	23,160
Social security costs	3,160	2,826
Pension costs	1,100	1,031
	<u>          </u>	<u>          </u>
	28,515	27,017
	<u>          </u>	<u>          </u>



# PHOENIX ME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 6 Employees (Continued)

### 7 Directors' remuneration

	2022 £ '000	2021 £ '000
Remuneration for qualifying services	5,899	2,811
Company pension contributions to defined contribution schemes	32	8
	<u>5,931</u>	<u>2,819</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £ '000	2021 £ '000
Remuneration for qualifying services	<u>2,341</u>	<u>1,173</u>

### 8 Interest receivable and similar income

	2022 £ '000	2021 £ '000
<b>Interest income</b>		
Interest on bank deposits	22	42
Other interest income	<u>1</u>	<u>11</u>
Total interest revenue	23	53
<b>Income from fixed asset investments</b>		
Income from participating interests - joint ventures	<u>-</u>	<u>(4)</u>
Total income	<u>23</u>	<u>49</u>

### 9 Interest payable and similar expenses

	2022 £ '000	2021 £ '000
Other interest	<u>3</u>	<u>-</u>

### 10 Amounts written off investments

	2022 £ '000	2021 £ '000
Amounts written off current loans	<u>(177)</u>	<u>-</u>

# PHOENIX ME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 11 Taxation

	2022 £ '000	2021 £ '000
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,577	1,066
Adjustments in respect of prior periods	(2)	(435)
Total UK current tax	1,575	631
Adjustments in foreign tax in respect of prior periods	72	697
Total current tax	1,647	1,328
<b>Deferred tax</b>		
Origination and reversal of timing differences	(32)	(23)
Changes in tax rates	21	-
Total deferred tax	(11)	(23)
Total tax charge	1,636	1,305

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25% and this became substantively enacted as part of the Finance Bill 2021 on 24 May 2021. Deferred tax has been calculated at this rate.

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £ '000	2021 £ '000
Profit before taxation	7,363	4,957
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	1,399	942
Tax effect of expenses that are not deductible in determining taxable profit	154	101
Adjustments in respect of prior years	72	-
Effect of change in corporation tax rate	13	-
Under/(over) provided in prior years	(2)	262
Taxation charge for the year	1,636	1,305

# PHOENIX ME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 11 Taxation

(Continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £ '000	2021 £ '000
Deferred tax arising on:		
Revaluation of financial instruments treated as cash flow hedges	-	(13)
	<u>          </u>	<u>          </u>

### 12 Dividends

	2022 £ '000	2021 £ '000
Interim paid	3,000	-
	<u>          </u>	<u>          </u>

The company has one class of ordinary shares which carries no right to fixed income.

### 13 Tangible fixed assets

	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£ '000	£ '000	£ '000	£ '000
<b>Cost</b>				
At 1 October 2021	373	314	26	713
Additions	-	2	37	39
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 September 2022	373	316	63	752
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Depreciation and impairment</b>				
At 1 October 2021	141	180	21	342
Depreciation charged in the year	76	90	3	169
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 September 2022	217	270	24	511
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>				
At 30 September 2022	156	46	39	241
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 September 2021	232	134	5	371
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 14 Fixed asset investments

	Notes	2022 £ '000	2021 £ '000
Investments in subsidiaries	15	252	252
Investments in joint ventures	16	-	-
		<u>          </u>	<u>          </u>
		252	252
		<u>          </u>	<u>          </u>

# PHOENIX ME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 14 Fixed asset investments

(Continued)

The company has not designated any financial assets that are not classified as financial assets at fair value through profit or loss.

### 15 Subsidiaries

Details of the company's subsidiaries at 30 September 2022 are as follows:

Name of undertaking	Address	Class of shares held	% Held Direct
Phoenixtrescray Limited	1	Ordinary	100.00
Phoenix ME (Europe) Limited	2	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

- 1 First Floor, 25 Camperdown Street, London, England, E1 8DZ
- 2 29 Earsfort Terrace, Dublin 2, Ireland

### 16 Joint ventures

Details of the company's joint ventures at 30 September 2022 are as follows:

Name of undertaking	Registered office	Interest held	% Held Direct
Price Phoenix HS2 JV Limited	Central House, 25 Camperdown Street, London, England, E1 8DZ	Ordinary	50.00

### 17 Financial instruments

	2022 £ '000	2021 £ '000
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	2,000	2,000

### 18 Stocks

	2022 £ '000	2021 £ '000
Finished goods and goods for resale	91	91

### 19 Debtors

	2022 £ '000	2021 £ '000
<b>Amounts falling due within one year:</b>		
Trade debtors	21,532	18,869
Gross amounts owed by contract customers	23,675	10,551
Amounts owed by group undertakings	3,210	3,163
Other debtors	10,435	5,567
Prepayments and accrued income	914	997
	59,766	39,147

# PHOENIX ME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

19 Debtors	(Continued)	
	2022 £ '000	2021 £ '000
Amounts falling due after more than one year:		
Trade debtors	3,225	1,813
<b>Total debtors</b>	<b>62,991</b>	<b>40,960</b>

Trade debtors disclosed above are measured at amortised cost.

An allowance has been made for estimated irrecoverable amounts from construction contracts of £213,966 (2021: £180,636).

20 Current asset investments	2022 £ '000	2021 £ '000
Unlisted investments	2,000	2,000

21 Creditors: amounts falling due within one year	2022 £ '000	2021 £ '000
Trade creditors	23,069	13,771
Corporation tax	1,509	493
Other taxation and social security	1,921	324
Other creditors	596	718
Accruals and deferred income	29,307	21,788
	<b>56,402</b>	<b>37,094</b>

Included within trade creditors are retentions held totalling £4,983,419 (2021 - £3,181,192).

22 Creditors: amounts falling due after more than one year	2022 £ '000	2021 £ '000
Trade creditors	2,508	1,896

Included within trade creditors due in more than one year is retentions totalling £2,507,979 (2021 - £1,896,038).

# PHOENIX ME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £ '000	Liabilities 2021 £ '000
<b>Balances:</b>		
Accelerated capital allowances	54	66
	<u>54</u>	<u>66</u>
<b>Movements in the year:</b>		<b>2022 £ '000</b>
Liability at 1 October 2021		66
Credit to profit or loss		(32)
Effect of change in tax rate - profit or loss		20
		<u>20</u>
Liability at 30 September 2022		54
		<u>54</u>

### 24 Retirement benefit schemes

	2022 £ '000	2021 £ '000
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	1,100	1,031
	<u>1,100</u>	<u>1,031</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

There were contributions of £168,683 (2021 - £147,155) owed to the scheme at the balance sheet date.

### 25 Share capital

	2022 Number	2021 Number	2022 £ '000	2021 £ '000
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary of £1 each	5,022,000	5,022,000	5,022	5,022
	<u>5,022,000</u>	<u>5,022,000</u>	<u>5,022</u>	<u>5,022</u>

The company has one class of ordinary share which carry no right to fixed income.

### 26 Financial commitments, guarantees and contingent liabilities

The company is party to a cross guarantee as security for the bank borrowings of the group.

The bank has a fixed and floating charge over the investments, property and assets of Cityside Electrical Co Ltd, Phoenix ME Limited and PhoenixTrescray Ltd.

## PHOENIX ME LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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#### **27 Operating lease commitments**

##### **Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2022</b>	<b>2021</b>
	<b>£ '000</b>	<b>£ '000</b>
Within one year	475	476
Between two and five years	464	937
	<hr/>	<hr/>
	939	1,413
	<hr/>	<hr/>

Operating lease payments represent rentals payable by the company for its office premises and storage facilities.

# PHOENIX ME LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 28 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Management charges	
	2022 £ '000	2021 £ '000
Entities under common control	24	6
	<u>24</u>	<u>6</u>
	2022	2021
	£ '000	£ '000
Amounts due from related parties		
Entities under common control	3,634	3,991
	<u>3,634</u>	<u>3,991</u>

#### Other information

The company has taken advantage of the exemption available under FRS 102 paragraph 33.1a whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the group.

### 29 Directors' transactions

Description	% Rate	Opening balance £ '000	Amounts advanced £ '000	Closing balance £ '000
Directors Loan Account	-	-	6,231	6,231
		<u>-</u>	<u>6,231</u>	<u>6,231</u>
		-	6,231	6,231
		<u>-</u>	<u>6,231</u>	<u>6,231</u>

### 30 Ultimate controlling party

The immediate and ultimate parent company is Cityside Electrical Co Ltd which owns 100% of the share capital. Its registered office is 1st Floor, 25 Camperdown Street, London, E1 8DZ. Cityside Electrical Co Ltd is also the ultimate parent company.

The largest and smallest group in which the company is consolidated is Cityside Electrical Co Ltd. Copies of the consolidated financial statements can be obtained from 25 Camperdown Street, London, E1 8DZ, the registered office of Cityside Electrical Co Ltd.

The ultimate controlling party is that of the director, Mr Lee Compton, due to his shareholding in Cityside Electrical Co Ltd.



This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.