

Company registration number SC251886 (Scotland)

GEORGE LESLIE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

GEORGE LESLIE LIMITED

COMPANY INFORMATION

Directors	Mr D B Ross Mr M C M Gault Mr A C Fry
Secretary	Mr G Cowan
Company number	SC251886
Registered office	Blackbyres Road Barrhead Glasgow United Kingdom G78 1DU
Auditor	Azets Audit Services Titanium 1 Kings Inch Place Renfrew United Kingdom PA4 8WF

GEORGE LESLIE LIMITED

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GEORGE LESLIE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present the strategic report for the year ended 31 March 2024.

Fair review of the business

The principal activity of the Company is heavy-civil engineering construction, with a continuing focus on the water, wastewater, power and marine sectors in addition to more general heavy civil engineering work.

The Directors are pleased to report ongoing growth in both turnover and profit for the year, supporting the overarching Company strategy of focusing on attractive opportunities in core sectors where the Company's resources, experience and expertise can add value for our clients. The Company's key measurements of effectiveness are turnover and pre-tax profit. Pre-tax profit for the year was £8,032,000 (2023 - £3,301,000) on turnover of £102,296,000 (2023 - £72,533,000).

Investment in the essential plant, machinery and transport required for core operations has continued, with additions to fixed assets over the year amounting to £2,098,000 (2023 - £2,025,000). This investment aligns with the Company's aim to reduce its carbon footprint to net zero emissions with annual investment in our owned plant to ensure we are using the technologies with the lowest emissions. This investment has seen a significant reduction in GHG emissions over a ten-year period, along with various other initiatives including increasing our electric vehicle fleet via the GL Driving Change scheme, using eco-friendly fuels, an ongoing increase in the uptake of the cycle to work scheme, and engaging with Zero Waste Scotland for further advances. The company continues to investigate greener alternatives within site delivery including the utilisation of battery powered hand tools, recyclable aggregates and low carbon steel. The company has an ongoing strategy of digital advancements for continued improvements in both internal processes and site delivery.

The civil engineering market in Scotland remains very competitive however, the level of visibility of forward workload remains buoyant, with attractive opportunities in a number of sectors. The Company has a long-term framework agreement with a key client. The Directors are confident that by continuing to target attractive projects in its core sectors, whilst diversifying our client base in areas where there are synergies with our skillsets, a satisfactory level of profitability can be maintained.

The strategy of developing our pipeline of competent, well-trained young people for careers in the construction industry continues to receive external recognition and this bodes well for the future. The Company is pleased to acknowledge our success in this area with a number of our graduates gaining their professional qualifications through our accredited Institution of Civil Engineers and Chartered Institution of Civil Engineering Surveyors training schemes. In addition, the Company has invested in our Leadership and Management programme. The Company also continues to place a significant emphasis on the health and wellbeing of all employees, and remains committed in providing a safe, inclusive, and supportive environment for all of our employees to be successful. As part of this commitment, the Company continues to engage with Investors in People to survey all employees across the business to gather their feedback and make positive changes going forward. The Company also invests significant resources as part of its Mental Health Charter aimed at reducing the stigma surrounding mental health, which includes providing ongoing training, advice and support, and promoting good health and wellbeing initiatives to all site and head office staff.

The Company maintains a proactive approach to making a positive contribution within communities where the Company works and during the year, considerable contributions were made to worthy causes.

GEORGE LESLIE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Principal risks and uncertainties

The Company is subject to the normal competitive risks in its ability to obtain contracts where competitive tender and renewal of longer-term contracts are subject to financial and performance criteria. The Company manages these risks by regular review of its tender process and maintaining strong working relationships with its customers.

Credit risk is managed by continuing assessment of customer's financial status and payment history. The Company has had no significant exposure to credit risk.

The Company minimises liquidity risk by managing cash generation from its operations and applying cash collection targets. The Company is confident that it has minimised any cash flow risk. This view is strengthened by the level of bank balances in a strong balance sheet. Investment is carefully controlled, with authorisation limits operating at different levels up to board level.

The Company is well placed to manage any ongoing financial uncertainties as noted in the assessment of going concern in the Director's report.

Although the Company's policy does permit trading in any financial instruments, its principal financial instruments are those of cash and short-term deposits and debtors and creditors arising directly from its trading operations.

The Company manages its legislative risks by its emphasis on training, particularly, quality, health and safety and environmental areas. The Company maintains- ISO 9001 — 2015, ISO45001-2018 and ISO 14001 — 2015 accreditations in relation to quality, health and safety and environmental management systems.

Promoting the success of the company

As part of the Board's decision-making process, consideration of key stakeholder interests and the potential impact decisions have on each group is vital. This is embedded within GL's values - **Passion, Togetherness, Resourceful**.

We demonstrate **Passion** for our people, our work and for the people we serve. We are passionate about what we do and how we do it. Passion is the fuel that drives us to do what we do. It's what makes us want to get up in the morning and deliver. Passion is what makes us want to be the best.

By promoting **Togetherness** in the workplace, we create a more collaborative environment. Our working environment leads to a better workplace and a happier workforce, enhancing our productivity and promoting better well-being.

Our incredibly **Resourceful** people are able to do more with less, work each problem as it is encountered and deliver creative solutions in a more efficient way.

Our various engagement processes provide us with a better understanding of what matters to our stakeholders, their views and requirements, and the consequences of any decision, which are then considered in the business decisions made by the Board. The Board also strive to embed this decision-making principal throughout all levels of the Company. Our key stakeholder groups are set out below.

- **Employees** - the strength of the Company is built on a committed, motivated team of employees. Our colleagues rely on us to provide steady employment and opportunities to realise their potential in a working environment where they can perform to their best.
- **Customers** - we aim to build strong, long-lasting relationships with our clients. This is based on a commitment to deliver quality that our customers can rely upon.
- **Supply chain** - we depend on all levels of our supply chain to provide the materials, labour and infrastructure that are essential to operate our business. We ensure a robust preapproval and ongoing monitoring process to develop the relationship with our supply chain and provide future opportunities for our suppliers.

GEORGE LESLIE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Promoting the success of the company (continued)

- **Communities and the Environment** - communities and the wider public expect us to act as a responsible company and neighbour, and to minimise any adverse impact we might have on local communities and the environment.
- **Public Bodies and Regulators** - we seek to enjoy a constructive and cooperative relationship with the bodies that authorise and regulate our business activities. This helps us maintain a reputation for high standards of business conduct. They expect us to comply with applicable law, regulations, and licence conditions.

On behalf of the board

Mr D B Ross
Director

28 June 2024

GEORGE LESLIE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present their annual report and financial statements for the year ended 31 March 2024.

Principal activities

The principal activity of the Company is heavy-civil engineering construction, with a continuing focus on the water, wastewater, power and marine sectors in addition to more general heavy civil engineering work.

Results and dividends

The profit for the year before taxation amounted to £8,032,000 (2023 - £3,301,000).

During the year dividends of £999,000 (2023 - £3,178,000) were approved by the members. Of this sum, £999,000 (2023 — £3,178,000) was paid to the ordinary shareholder during the year.

The directors do not recommend payment of a further 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 D B Ross
Mr M C M Gault
Mr A C Fry

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 a variety of different mechanisms including investors in people, employee days, group forums and at meetings, matters likely to affect employees' interests.

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

Future developments

Future developments are outlined in the Strategic Report on page 1, under principal activity and review of the business.

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

The Directors are committed to reduce the Company's carbon footprint as detailed in the strategic report on page 1, under principal activity and review of the business. The Company's annual consumption of electricity and gas in the period is 202,432 kWh (2023 - 223,206 kWh) and 192,552 kWh (2023 - 138,547 kWh) respectively. In addition, there was 933,924 litres (2023 - 615,841) of diesel and petrol fuel used for transportation and site based activities. This is a total carbon footprint from the total UK energy use of electricity, gas, and transport of 1,536 tonnes of CO₂e (2023 - 1,718 tonnes), or 0.015 tonnes of CO₂e per £k of sales revenue (2023 - 0.024). The consumption results reported are calculated using the actual spending in the period, and converted using average annual prices in each category and the UK Government's GHG conversion factors for company reporting.

GEORGE LESLIE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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 the fair review of the business (including key performance indicators) and principal risks and uncertainties.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going Concern

The Company's business activities, a review of the business and a description of the principal risks and uncertainties, together with the Company's financial risk management processes and narrative regarding its exposure to key financial risks are outlined in the Strategic Report on pages 1 and 2.

The Company has considerable financial resources and, as a consequence, the directors believe that it is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Therefore, having made their own assessment of the Company's financial position, the directors believe the Company is well placed to manage its business risks successfully and meet its liabilities as they fall due for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

On behalf of the board

Mr D B Ross
Director

28 June 2024

GEORGE LESLIE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT ***FOR THE YEAR ENDED 31 MARCH 2024***

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.

GEORGE LESLIE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEORGE LESLIE LIMITED

Opinion

We have audited the financial statements of George Leslie Limited (the 'company') for the year ended 31 March 2024 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows 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 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

GEORGE LESLIE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GEORGE LESLIE LIMITED

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.

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.

GEORGE LESLIE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GEORGE LESLIE LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, ~~use of our report~~ because of the collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Jennifer Alexander
Senior Statutory Auditor
For and on behalf of Azets Audit Services

28 June 2024

Chartered Accountants
Statutory Auditor

Titanium 1
Kings Inch Place
Renfrew
United Kingdom
PA4 8WF

GEORGE LESLIE LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

		2024	2023
	Notes	£000's	as restated £000's
Revenue	3	102,296	72,533
Raw materials and consumables		(14,722)	(8,492)
Other external expenses		(53,495)	(41,331)
Staff costs	5	(20,519)	(14,700)
Depreciation		(1,222)	(958)
Other operating expenses		(4,667)	(3,803)
Operating profit	4	<u>7,671</u>	<u>3,249</u>
Investment income	8	361	52
Profit before taxation		<u>8,032</u>	<u>3,301</u>
Tax on profit	9	(1,003)	1,073
Profit for the financial year		<u><u>7,029</u></u>	<u><u>4,374</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.

GEORGE LESLIE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	£000's	as restated £000's
Profit for the year	7,029	4,374
Other comprehensive income	-	-
Total comprehensive income for the year	<u>7,029</u>	<u>4,374</u>

GEORGE LESLIE LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

		2024		2023 as restated	
	Notes	£000's	£000's	£000's	£000's
Non-current assets					
Property, plant and equipment	11		4,617		3,845
Current assets					
Inventories	13	263		223	
Trade and other receivables	14	23,967		18,769	
Cash and cash equivalents		23,769		12,502	
		<u>47,999</u>		<u>31,494</u>	
Current liabilities	15	(37,226)		(25,992)	
Net current assets			10,773		5,502
Total assets less current liabilities			<u>15,390</u>		<u>9,347</u>
Provisions for liabilities					
Provisions	16	181		256	
Deferred tax liability	18	88		-	
		<u>(269)</u>		<u>(256)</u>	
Net assets			<u>15,121</u>		<u>9,091</u>
Equity					
Called up share capital	19		43		43
Capital redemption reserve	20		367		367
Retained earnings			14,711		8,681
Total equity			<u>15,121</u>		<u>9,091</u>

The financial statements were approved by the board of directors and authorised for issue on 28 June 2024 and are signed on its behalf by:

Mr D B Ross
Director

Company Registration No. SC251886

GEORGE LESLIE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Share capital £000's	redemption reserve £000's	Retained earnings £000's	Total £000's
Balance at 1 April 2022		43	367	7,485	7,895
Year ended 31 March 2023:					
Profit and total comprehensive income for the year (as restated)		-	-	4,374	4,374
Dividends	10	-	-	(3,178)	(3,178)
Balance at 31 March 2023 (as restated)		43	367	8,681	9,091
Year ended 31 March 2024:					
Profit and total comprehensive income for the year		-	-	7,029	7,029
Dividends	10	-	-	(999)	(999)
Balance at 31 March 2024		43	367	14,711	15,121

GEORGE LESLIE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £000's	2023 £000's	2023 £000's
Cash flows from operating activities				
Cash generated from operations	27	13,133	8,536	
Income taxes refunded		727	288	
		<u>13,860</u>	<u>8,824</u>	
Net cash inflow from operating activities				
Investing activities				
Purchase of property, plant and equipment		(2,098)	(2,025)	
Proceeds on disposal of property, plant and equipment		143	199	
Interest received		361	52	
		<u>(1,594)</u>	<u>(1,774)</u>	
Net cash used in investing activities				
Financing activities				
Dividends paid		(999)	(3,178)	
		<u>(999)</u>	<u>(3,178)</u>	
Net cash used in financing activities				
Net increase in cash and cash equivalents				
		11,267	3,872	
Cash and cash equivalents at beginning of year		12,502	8,630	
		<u>23,769</u>	<u>12,502</u>	
Cash and cash equivalents at end of year				
		<u><u>23,769</u></u>	<u><u>12,502</u></u>	

GEORGE LESLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Company information

George Leslie Limited is a private company limited by shares incorporated in Scotland. The registered office is Blackbyres Road, Barrhead, Glasgow, United Kingdom, G78 1DU.

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.

As both subsidiary companies are dormant, the directors have decided not to prepare group financial statements, as permitted under section 402 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's.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Prior period error

Prior year adjustments of £1,413,000 and £740,000 have been raised against deferred tax and corporation tax respectively as a result of carrying forward previous year tax losses. The previously reported profit after tax and net assets have increased by £673,000 for the year ended 31 March 2023 as a result of these adjustments.

1.3 Going concern

The Company's business activities, a review of the business and a description of the principal risks and uncertainties, together with the Company's financial risk management processes and narrative regarding its exposure to key financial risks are outlined in the Strategic Report on pages 1 and 2.

The Company has considerable financial resources and, as a consequence, the directors believe that it is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Therefore, having made their own assessment of the Company's financial position, the directors believe the Company is well placed to manage its business risks successfully and meet its liabilities as they fall due for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

1.4 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, 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:

Buildings	Over 50 years
Plant and equipment	Over 4 to 20 years
Office Equipment	Over 2 to 4 years
Motor vehicles	Over 5 years

GEORGE LESLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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.

1.6 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an 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.

Recoverable amount is the higher of fair value less costs to sell and 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, 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.

1.7 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where 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 that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

GEORGE LESLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Contract maintenance provision

Provision is made for the cost of remedial work on current contracts and contracts completed at the end of the financial year but still within the contract maintenance period. The provision is based on a percentage of outstanding retention adjusted for known remedial costs.

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 has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position 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 trade and other receivables 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. Financial assets classified as receivable within one year are not amortised.

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. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal 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.

GEORGE LESLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.11 Equity instruments

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition 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 reporting end 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 when 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 assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

GEORGE LESLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.13 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.14 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 non-current 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.

1.15 Retirement benefits

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

A group personal pension scheme is operated for staff engaged after 1 January 1999. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

1.16 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.

Plant hire rentals payable under operating leases in respect of fixed assets not owned by the Company are expensed to the income statement as incurred.

1.17 Research & Development

Costs associated with research and development are expensed to the income statement as incurred.

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.

GEORGE LESLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Contract Valuations and Outcomes

Valuations which include an estimation of cost to complete and remaining revenues are carried out at regular intervals throughout the year. These assessments may include a degree of inherent uncertainty when estimating contract profitability and any impairment provisions that may be required.

3 Revenue

Turnover represents the sales value of work done in the period as valued by internal and external surveyors.

Turnover, which is stated net of value added tax, is attributable to one continuing activity, namely civil engineering, and is carried out entirely within the United Kingdom.

4 Operating profit

	2024 £000's	2023 £000's
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned property, plant and equipment	1,222	958
Profit on disposal of property, plant and equipment	(39)	(143)
Operating lease charges	37	33
	<u> </u>	<u> </u>

5 Employees

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

	2024 Number	2023 Number
Direct	123	98
Indirect	207	161
Total	<u>330</u>	<u>259</u>

Their aggregate remuneration comprised:

	2024 £000's	2023 £000's
Wages and salaries	17,356	12,391
Social security costs	2,064	1,525
Pension costs	1,099	784
	<u>20,519</u>	<u>14,700</u>

GEORGE LESLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

6 Directors' remuneration

	2024 £000's	2023 £000's
Remuneration for qualifying services	66	62
Company pension contributions to defined contribution schemes	180	120
	<u>246</u>	<u>182</u>

The number of directors for whom retirement benefits were accruing under defined contribution schemes amounted to 3 (2023 - 3).

The directors are also considered to be key management personnel of the Company. Employer national insurance contributions on behalf of key management personnel in the year were £1,000 (2023 - £1,000).

7 Auditor's remuneration

	2024 £000's	2023 £000's
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	43	41
	<u>43</u>	<u>41</u>
For other services		
Taxation compliance services	12	12
	<u>12</u>	<u>12</u>

8 Investment income

	2024 £000's	2023 £000's
Interest income		
Interest on bank deposits	361	52
	<u>361</u>	<u>52</u>

GEORGE LESLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

9 Taxation

	2024	2023
	£000's	as restated £000's
Deferred tax		
Origination and reversal of timing differences	1,003	(1,073)
	<u> </u>	<u> </u>

The actual charge/(credit) 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:

	2024	2023
	£000's	as restated £000's
Profit before taxation	8,032	3,301
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)	2,008	627
Tax effect of expenses that are not deductible in determining taxable profit	1	2
Other tax credit	(1,169)	(1,679)
Other permanent differences	-	3
Fixed asset differences	-	(108)
Movement in deferred tax not recognised	163	-
Remeasurement of deferred tax for change in tax rates	-	82
	<u> </u>	<u> </u>
Taxation charge/(credit) for the year	1,003	(1,073)
	<u> </u>	<u> </u>

Prior year adjustment

During the current year the directors have revised the election made in the 2023 tax provision in respect of tax losses and have chosen to carry forward these prior year losses. The value of this change is material to the prior year financial statements, hence an adjustment has been made to re-state these figures.

The previously reported profit after tax has increased by £673,000 from £3,701,000 to £4,374,000, with the previously reported profit and loss reserve increasing by the same value from £8,418,000 to £9,091,000.

Within the Statement of Financial Position, the previously reported deferred tax liability of £499,000 has become a deferred tax asset of £914,000, a swing of £1,413,000. Finally the previously reported corporation tax debtor has been reduced by £740,000 from £870,000 to £130,000.

10 Dividends

	2024	2023
	£000's	£000's
Dividends	999	3,178
	<u> </u>	<u> </u>

Two interim dividends were paid during the year at 836p and 696p per share respectively. A final dividend was paid during the year at 787p per share.

GEORGE LESLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

11 Property, plant and equipment

	Buildings £000's	Plant and equipment £000's	Office Equipment £000's	Motor vehicles £000's	Total £000's
Cost					
At 1 April 2023	593	4,893	560	3,368	9,414
Additions	-	628	248	1,222	2,098
Disposals	-	(91)	-	(470)	(561)
At 31 March 2024	593	5,430	808	4,120	10,951
Depreciation and impairment					
At 1 April 2023	224	3,073	402	1,870	5,569
Depreciation charged in the year	15	597	108	502	1,222
Eliminated in respect of disposals	-	(91)	-	(366)	(457)
At 31 March 2024	239	3,579	510	2,006	6,334
Carrying amount					
At 31 March 2024	354	1,851	298	2,114	4,617
At 31 March 2023	369	1,820	158	1,498	3,845

Within the land and buildings figure, there is land of £47,000 (2023 - £47,000) that is not depreciated.

12 Subsidiaries

Both subsidiary companies are dormant and are registered at Blackbyres Road, Glasgow, G78 IDU. In 2004 the directors invoked a 'true and fair' override and reclassified its net investment of £916,000 in George Leslie Plant Limited as goodwill. The Company's investment in Ashmoon Ltd is written down to nil.

Details of the company's subsidiaries at 31 March 2024 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
George Leslie Plant Limited	Scotland	Ordinary	100.00
Ashmoon Limited	Scotland	Ordinary	100.00

13 Inventories

	2024 £000's	2023 £000's
Raw materials and consumables	263	223

GEORGE LESLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

14 Trade and other receivables

	2024	2023
	£000's	as restated £000's
Amounts falling due within one year:		
Trade receivables	16,538	12,122
Amounts recoverable on contracts	1,692	2,094
Corporation tax recoverable	130	130
Other receivables	531	531
Prepayments and accrued income	4,820	1,858
	<u>23,711</u>	<u>16,735</u>
Deferred tax asset (note 18)	-	914
	<u>23,711</u>	<u>17,649</u>
	<u><u>23,711</u></u>	<u><u>17,649</u></u>
Amounts falling due after more than one year:		
Trade receivables	256	1,120
	<u>256</u>	<u>1,120</u>
Total debtors	<u>23,967</u>	<u>18,769</u>
	<u><u>23,967</u></u>	<u><u>18,769</u></u>

15 Current liabilities

	2024	2023
	£000's	£000's
Trade payables	15,135	9,767
Payments on account on contracts	10,799	7,820
Amounts owed to group undertakings	2,335	2,575
Corporation tax	728	-
Other taxation and social security	3,239	2,290
Other creditors and accruals	4,990	3,540
	<u>37,226</u>	<u>25,992</u>
	<u><u>37,226</u></u>	<u><u>25,992</u></u>

GEORGE LESLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

16 Provisions for liabilities

	2024 £000's	2023 £000's
Maintenance provision	181	256
	<u> </u>	<u> </u>
Movements on provisions:		Maintenance provision £000's
At 1 April 2023		256
Additional provisions in the year		13
Reversal of provision		(88)
At 31 March 2024		<u> </u> 181

17 Retirement benefit schemes

	2024 £000's	2023 £000's
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	1,099	784
	<u> </u>	<u> </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. Included within other creditors is £263,000 (2023 - £194,000) in respect of contributions to the group personal pension scheme.

18 Deferred taxation

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

	Liabilities 2024 £000's	Liabilities 2023 as restated £000's	Assets 2024 £000's	Assets 2023 as restated £000's
Balances:				
Fixed asset timing difference	664	-	-	(372)
Short term timing differences	(28)	-	-	32
Losses and other deductions	(548)	-	-	1,254
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	88	-	-	914
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

GEORGE LESLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

18 Deferred taxation (Continued)

Movements in the year:	2024 £000's
Asset as at 1 April 2023 (as restated)	(914)
Charge to profit or loss	1,002
	<hr/>
Liability at 31 March 2024	88
	<hr/> <hr/>

19 Share capital

Ordinary share capital Issued and fully paid	2024 Number	2023 Number	2024 £000's	2023 £000's
Ordinary shares of £1 each	43,078	43,078	43	43
	<hr/>	<hr/>	<hr/>	<hr/>

The ordinary shareholders are entitled to dividends and shares rank equally for voting rights.

20 Capital redemption reserve

This reserve relates to the nominal value of shares repurchased by the company.

21 Financial commitments, guarantees and contingent liabilities

The Company's only contingent liabilities are those which arise in the ordinary course of business in connection with the completion of contracts in accordance with specification. The Company has granted its bankers a bond and floating charge as security.

22 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:

	2024 £000's	2023 £000's
Within one year	13	13
Between two and five years	31	43
	<hr/>	<hr/>
	44	56
	<hr/> <hr/>	<hr/> <hr/>

23 Capital commitments

The Company had £78,000 contracted capital commitments at 31 March 2024 (2023 - £63,000).

GEORGE LESLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

24 Related party transactions

The company has taken advantage of the disclosure exemption from the requirement of FRS 102 Section 33 Related Party Disclosures paragraph 33.7 from disclosing transactions with group undertakings on the basis that consolidated financial statements are available.

The company entered into an interest free loan agreement of £130,275 on 11 September 2013 with N Doherty, a former director. This amount remains outstanding at 31 March 2024.

25 Directors' transactions

The Company entered into interest free loan agreements of £130,275 with D Ross on 11 September 2013, and with M Gault and T Fry on 8 December 2015 and 17 September 2019 respectively to enable them to acquire existing shares in the Company. These amounts remain outstanding at 31 March 2024.

26 Ultimate controlling party

The ultimate parent company is GLL (Holdings) Limited. The results of George Leslie Limited are consolidated in GLL (Holdings) Limited. Copies of the consolidated accounts can be obtained from Companies House.

There is no ultimate controlling party.

27 Cash generated from operations

	2024 £000's	2023 £000's
Profit for the year after tax	7,029	4,374
Adjustments for:		
Taxation charged/(credited)	1,003	(1,073)
Investment income	(361)	(52)
Gain on disposal of property, plant and equipment	(39)	(143)
Depreciation and impairment of property, plant and equipment	1,222	958
(Decrease)/increase in provisions	(75)	80
Movements in working capital:		
(Increase)/decrease in inventories	(40)	44
Increase in trade and other receivables	(6,112)	(6,790)
Increase in trade and other payables	10,506	11,138
Cash generated from operations	<u>13,133</u>	<u>8,536</u>
Per cash flow statement page	<u>13,133</u>	<u>8,536</u>

28 Analysis of changes in net funds

	1 April 2023 £000's	Cash flows £000's	31 March £2024
Cash at bank and in hand	12,502	11,267	23,769

