

19th May 2021

Barhale Holdings plc ('the Group')

Registered number 10829369

Interim Financial Statements for the six months to 31 December 2020

Key Points

- Results for the period reflect a significant improvement in profitability, enhanced by the resolution of some long term legacy issues.
- Revenues at £57.6m (6 months ended 30 June 2020: £65.5m)
- Operating Profit of £2.1m
- Net Assets increased by £1.6m to £2.76m

Chief Executive Officer's Statement

These are a particularly pleasing set of results which illustrate how our business continues to strengthen its financial position.

The transition between the water industry's AMP periods can be difficult due to delays in our clients' procurement. That the current transition was against a background of COVID 19 added to concerns. However, I am pleased to say that we have overcome both challenges to generate healthy profits and we now look forward to delivering under AMP 7, hopefully uninterrupted by the pandemic.

The group managed satisfactorily to settle some long-standing contractual disputes. Resolving these issues will not only have a considerable financial benefit but will also enable us to concentrate our efforts on delivery and to grow a sustainable Infrastructure business in the Water, Transport, Energy and the Built Environment sectors.

BCS performed well in the period growing its external signs and supplies segment as well as supporting the core civil engineering business.

While the cash position of the business did deteriorate in the six month period, we expect this to improve over the ensuing months as we realise these reported results.

Outlook

Having secured a record number of long term water industry framework contracts, we have then added to these with enabling contracts for HS2, Fusion and North London Heat and Power Project. In Scotland we have secured work with ESD on behalf of Scottish Water, Edinburgh and Glasgow Councils and in the Midlands with Sandwell Metropolitan Borough Council, WPD and Doosan Enpure Ltd.

As we enter a period of intense activity within the sector, our focus will be upon safe and efficient delivery. Production and selectivity will be the key to this whilst ensuring that our anticipated growth is measured and sustainable.

We look forward to working for our expanded client portfolio.

On behalf of the board, I would like to pay tribute to our employees and supply chain for their innovation, commitment and hard work. I would also like to say thank you for the support we have enjoyed from our key clients and for the trust they continue to have in us to deliver against their needs.

Consolidated Statement of Comprehensive Income

For the six months to 31 December 2020

	6 months ended 31 December 2020 £000	6 months ended 30 June 2020 £000
Turnover	57,586	65,508
Cost of sales	(50,713)	(64,081)
Gross profit	6,873	1,427
Administrative expenses	(4,766)	(4,811)
Other operating income	0	3,382
Operating profit/(loss)	2,107	(2)
Finance costs	(136)	(14)
Profit/(loss) before tax	1,971	(16)
Tax on profit/(loss)	(384)	(154)
Profit/(loss) for the period	1,587	(170)
Other comprehensive income for the period	0	627
Total comprehensive income for the period	1,587	457

Consolidated balance Sheet

As at 31 December 2020

	6 months ended 31 December 2020 £000	6 months ended 30 June 2020 £000
Fixed assets		
Intangible assets	252	273
Tangible assets	14,977	16,719
	<u>15,229</u>	<u>16,992</u>
Current assets		
Stocks	2,108	2,038
Debtors: amounts falling due within one year	21,762	18,604
Cash at bank and in hand	(1,951)	1,421
	<u>21,919</u>	<u>22,063</u>
Creditors: amounts falling due within one year	(31,382)	(34,763)
Net current assets(liabilities)	<u>(9,463)</u>	<u>(12,700)</u>
Total assets less current liabilities	<u>5,766</u>	<u>4,292</u>
Creditors: amounts falling due after more than one year	(3,004)	(3,117)
Net Assets	<u><u>2,762</u></u>	<u><u>1,175</u></u>
Capital and reserves		
Called up share capital	475	475
Revaluation reserve	1,273	1,273
Capital redemption reserve	25	25
Profit and loss account	989	(598)
Shareholders funds.	<u><u>2,762</u></u>	<u><u>1,175</u></u>

Consolidated statement of changes in equity

For the six months ended 31 December 2020

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total Equity
	£000	£000	£000	£000	£000
At 1 July 2020	475	25	1,273	(598)	1,175
Comprehensive income for the period					
Profit for the period				1,587	1,587
Property Revaluation			0		0
Total comprehensive income for the period	0	0	0	1,587	1,587
Transfer to profit and loss account					0
At 31 December 2020	475	25	1,273	989	2,762

Consolidated statement of changes in equity

For the six months ended 30 June 2020

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total Equity
	£000	£000	£000	£000	£000
At 1 January 2020	475	25	685	(467)	718
Comprehensive income for the period					
Loss for the period				(170)	(170)
Property Revaluation			627		627
Total comprehensive income for the period	0	0	627	(170)	457
Transfer to profit and loss account			-39	39	0
At 30 June 2020	475	25	1,273	(598)	1,175

Notes to the Interim Financial Statements

General information and accounting policies

This interim financial statement is unaudited. The interim financial statements do not comprise the Group's statutory accounts as defined under section 434 of the Companies Act 2006. Statutory accounts for the six months ended 30 June 2020 were approved by the board of directors on 8th February 2021 and were filed at Companies House. The auditor's report on those accounts was unqualified and did not contain any statement under section 498(2) or (3) of the Companies Act 2006. The auditor's report contained an emphasis of matter paragraph, but this was only in respect of uncertainty attached to a property valuation through the specific impact of the Covid-19 pandemic and the auditor's opinion was not modified in this matter.

Basis of Preparation

The statutory accounts of the Group have been prepared on a going concern basis and in accordance with Financial Reporting Standard 102, this being the standard applicable in the United Kingdom and Northern Ireland and in accordance with the Companies Act 2006. Having applied the same tests and criteria, these abbreviated interim financial statements have been prepared on the same basis.