RNS Number : 3065I
Nexus Infrastructure PLC
11 December 2020

11 December 2020

Nexus Infrastructure plc ("Nexus" or the "Group")
Full year results for the year ended 30 September 2020

Results in line with expectations, good start to FY21

Mike Morris, Chief Executive of Nexus, a leading provider of essential infrastructure services, utilities connections and smart energy infrastructure, comments**:**

"*2020 has really been a year of two halves: the first half performance was positive and ahead of our expectations, whilst the second half reflected the impact of Covid-19, to which we responded rapidly to secure the safety of our employees and protect the business. During that period, we saw lower levels of activity and demand from our customer base, but I am delighted to say that since the year end, the whole business has seen a return to growth in new work secured and the Group is progressing well.*

"*Nexus has a strong balance sheet, a good reputation for quality and provides essential services in EV infrastructure and clean energy. This, coupled with the ongoing structural demand for housing in the UK, leaves Nexus well-placed to return to pre-Covid-19 levels of activity by FY22.*"

Financial Highlights: in line with expectations set at the June fundraising:

	2020	**2019**
Revenue	£125.7m	£155.1m
Adjusted operating (loss)/profit[1]	(£1.9m)	£6.0m
Operating (loss)/profit	(£2.5m)	£6.0m
(Loss)/profit before tax	(£2.8m)	£5.7m
Cash & cash equivalents	£32.1m	£27.4m
Net cash[2]	£19.2m	£18.0m
Order book	£282.0m	£338.9m

1. Adjusted operating profit is operating profit excluding the impact of exceptional items
2. Net cash is calculated as cash and cash equivalents less borrowings and lease obligations

Operational Overview:

Tamdown

- Revenue declined to £85.8m (2019: £112.2m)
- Operating loss of £3.3m (2019: Profit £4.0m)
- Post year end Tamdown has had its best quarter for work winning since 2019

TriConnex

- Revenue declined to £39.1m (2019: £41.8m)
- Operating profit of £3.4m (2019: 4.3m)
- Post year end TriConnex continues to deliver in line with expectations with resilient financial performance

eSmart Networks

- Revenue increased to £2.2m (2019: £2.1m)
- Operating loss of £0.8m (2019: £0.6m) reflecting continued scaling up of business
- Since year end eSmart Networks has secured £2.3m of new work and continues to establish its leading EV position

Nexus strategy:

- Three stages of Nexus strategy:
  - 2020 - Respond and protect
    Rapid and decisive actions were taken to address Covid-19 challenges and protect the business (completed)
  - 2021 - Restore
    Leadership is now positioning the business for successful recovery with plans to gain market share by sector diversification, services expansion and geographic growth (in progress)
  - 2022 onwards - Drive long-term value
    Pursuing compelling growth opportunities
- The pandemic meant that Nexus has had to respond swiftly to a rapidly changing environment. The Group is now focused on its growth objectives and the operation of sustainable businesses that benefit all stakeholders
- Strong market fundamentals alongside our strong balance sheet will enable Nexus to deliver growth over the long-term

Enquiries:

Nexus Infrastructure plc
Michael Morris, Chief Executive Officer
Alan Martin, Chief Financial Officer
Tel: 01376 320856

Numis Securities Limited Tel: 0207 260 1200
(Nominated Adviser & Broker)
Oliver Hardy (Nomad)
Heraclis Economides
Ben Stoop

Financial Public Relations Tel: 0203 781 8332
Camarco
Ginny Pulbrook
Oliver Head

Notes to Editors:

Nexus is a leading provider of essential infrastructure services to the UK housebuilding and commercial sectors. The Group's capabilities are:

Civil Engineering - Tamdown, our civil engineering business, provides a range of specialised infrastructure and engineering services. Services include earthworks, building highways, substructures and basements, installing drainage systems, as well as high-rise construction. It has an established market-leading position having been in operation for over 40 years.

Utilities - TriConnex, our utilities business, designs, installs and connects gas, electricity, water, fibre networks and electric vehicle charging infrastructure on new residential developments. Working with developers and contractors, the business offers end-to-end solutions with the goal of being recognised as the UK's leading independent provider of utility connections to new developments.

Smart Energy - eSmart Networks, our smart energy business, provides electric vehicle charging and smart energy infrastructure. The business was created in late 2017 to respond to the UK's need for charging infrastructure, alongside the need for smart energy solutions.

Chairman's statement

Overview of the year
The Nexus business model delivers Civil Engineering, Utilities and Smart Energy services to a broad range of customers and has well-established customer relationships and active engagement with all its stakeholders. The Group comprises: Tamdown's well-established market position as a leading provider of essential civil engineering infrastructure services to the UK's largest housebuilders; TriConnex's growing utilities connection business; and eSmart Networks, which is becoming a market leader in the provision of electric vehicle charging infrastructure, battery storage and connections to renewable energy sources.

Prior to the impact of the pandemic the Group had recorded year-on-year revenue growth of 18.5% and operating profit growth of 19.6% for the first half of the year. Trading in the second half of the year has been severely impacted by Covid-19. The majority of sites were reopened by July and the recovery in activity levels since then has been encouraging, but significantly lower than the first half of the year. Of our three businesses, our civil engineering business Tamdown has been most impacted by the continued uncertain macroeconomic backdrop and the implementation of additional health and safety procedures to mitigate the risks of Covid-19 transmission. This lower level of activity during the Group's traditionally busy trading period has, as expected and previously announced, resulted in the Group being loss-making in the second half of the year.

The Group reported revenue for the year of £125.7m (2019: £155.1m). Revenue for Tamdown decreased to £85.8m (2019: £112.2m) due to the closure of all its sites in April followed by only a gradual reopening of sites with additional health and safety procedures. TriConnex revenue for the year totalled £39.1m (2019: £41.8m). In the second half of the year, TriConnex saw its activity levels recovering to pre-Covid-19 levels and revenues reverting to normal levels. eSmart Networks' performance reflected the fact that it continues to scale up and establish itself within the growing EV and renewable energy markets.

The Group's order book has reduced by 17% year-on-year but remains strong overall at £282.0m (2019: £338.9m). The reduction was principally driven by Tamdown where the order book decreased to £92.8m (2019: £151.6m) as a result of customers taking a more cautious approach to starting new sites given the impact of Covid-19, Brexit uncertainty and the end of the temporary stamp duty holiday. TriConnex's performance has been resilient and in line with expectations with the order book, ending the year at £185.4m (2019: £184.8m). This represents a good performance by TriConnex, driven by the up-front, mission-critical nature of securing utility network connections on development sites. eSmart Networks continued to progress in line with expectations, with the order book up 52% to £3.8m (2019: £2.5m) driven by increased demand for electric vehicles and associated supporting infrastructure.

The Group took significant and immediate actions to implement new health and safety protocols to ensure that all of our employees, as well as our customers and partners, could work safely. To mitigate the financial impact of the pandemic we furloughed up to 87% of the workforce during the height of the lockdown, limited non-essential expenditure and for a time put in place Group-wide salary reductions, with Directors and senior management taking the largest percentage cuts. The lower levels of activity expected with Tamdown resulted in the need to reorganise the business and implement a redundancy programme, which was completed in September 2020.

As expected, the lockdown and subsequent recovery impacted civil engineering delivery more adversely than utility and smart energy connections. The overall operating loss for the year recorded by Tamdown, along with the depressed results of TriConnex and eSmart Networks, has resulted in the Group recording an operating loss before exceptional items for the year of £1.9m (2019: profit £6.0m). Exceptional items totalling £0.6m relate to restructuring costs. The operating loss for the year totalled £2.5m (2019: profit £6.0m). The loss for the year attributable to equity holders of the parent company equated to £2.4m (2019: profit £4.2m). The basic loss per share was 5.9p per share (2019: earnings 11.0p per share).

The Group was strongly supported by shareholders in June 2020 through a placing of new shares, which raised gross proceeds of £10.0m and has helped to maintain a strong balance sheet and continued high cash and cash equivalents balance of £32.1m (2019: £27.4m), resulting in a net cash balance (after bank borrowings and lease obligations) of £19.2m (2019: £18.0m).

Returns to shareholders
The pandemic has created economic uncertainty and continues to impact the short to medium-term trading environment. Accordingly, the Group is prioritising the maintenance and sustainability of its strong balance sheet. As a result, the Group will not pay a dividend in respect of the financial year ended 30 September 2020.

The Board hopes to recommence paying dividends in the current financial year dependent upon the timing of the return of a more stable trading environment.

Board and governance
There have been no changes to the Board during the year. The Board consists of six members, including four Non-Executive Directors and two Executive Directors. In line with the QCA Corporate Governance Code (the "QCA Code"), the Board has reviewed the independence of the Non-Executive Directors and considers all the Non-Executive Directors to be independent.

People
A primary driver of the Group's success is the team of highly skilled, driven and loyal employees across the businesses. Nexus places great importance on engaging with and developing its employees and providing a platform for personal growth and successful career development. The Board is very proud of how our people have responded and adapted to the changes required due to the pandemic. On behalf of the Board, I would like to congratulate and thank them for their continued hard work and dedication.

Stakeholder engagement
The Board recognises the importance of stakeholder engagement to the long-term success and sustainability of our business. The Group is committed to developing effective dialogue and relationships with all stakeholder groups and the Board continually develops our business using learnings from these interactions.

Outlook
Looking ahead, whilst there is continued economic and political uncertainty, the fundamental market growth drivers for our business are positive, underpinned by Government stimulus for both housing, renewable energy and electric vehicles. Provided that trading conditions remain stable, our continued focus on the customer, an increased concentration on efficiency, a strong order book and a healthy balance sheet support the Board's confidence in the prospects for the Group in the coming years.

Geoff French
Non-Executive Chairman
11 December 2020

Executive review

Overview
The Covid-19 pandemic has had a significant impact on trading, mainly in the second half of the year. The first half of the year saw revenues grow in all businesses, with the pandemic only having a minor impact on trading during that period. The onset of lockdown in late March resulted in site closures across the businesses, with Tamdown having all sites closed in April and May, whilst TriConnex was able to attend some sites during lockdown and eSmart Networks only minimally impacted with some projects deferred. Despite the majority of sites being reopened by July, activity levels were significantly lower than in the first half of the year. Revenue for Tamdown was 23.5% down on prior year at £85.8m (2019: £112.2m). TriConnex revenue was down 6.5% at £39.1m (2019: £41.8m) as not all sites closed during lock down and activity levels during the final quarter of the year were close to pre-Covid-19 levels. Revenue for eSmart Networks grew by 4.2% in the year to £2.2m (2019: £2.1m), with the time taken to secure orders lengthened due to lockdown.

The profitability of the Group this year has been considerably impacted by the challenges caused by the pandemic. For Tamdown, the lockdown was followed by a summer of lower than normal activity levels, with summer traditionally the most efficient trading period. This saw margins under pressure due to; less efficient working, additional health and safety protocols and fewer site starts alongside the need to reduce the cost base with a number of redundancies for office and site-based staff. The trading and profitability of TriConnex has been resilient, with a number of customers still requiring connection services during the initial lockdown period and activity levels recovering well during the summer period. eSmart Networks recorded a loss for the year in line with expectations, though progress towards the end of the year has seen a widening of the customer base, driven by the increased demand for electric vehicles and associated supporting infrastructure.

The Group's order book has reduced 17% year-on-year, but at £282.0m (2019: £338.9m) it is still at a high level and provides good visibility of earnings. The reduction was principally driven by Tamdown where the order book decreased to £92.8m (2019: £151.6m) as a result of reduced activity levels, pricing pressures and customers taking a more cautious approach to starting new sites given the impact of Covid-19, Brexit uncertainty and the end of the temporary stamp duty holiday. TriConnex's performance has been resilient and in line with expectations with the order book ending the year at £185.4m (2019: £184.8m). This represents a strong performance by TriConnex driven by the up-front, mission-critical nature of securing utility network connections on development sites. eSmart Networks continued to progress in line with expectations with the order book up 52% to £3.8m (2019: £2.5m). Since the year end, all of the Group's businesses have seen progress with securing orders as trading conditions improve.

The Group's established divisions service the UK housing market, which is structurally undersupplied and supported by Government, meaning demand remains strong. eSmart Networks has significant opportunities within a diverse and growing sector, which includes charging for cars, transport and delivery vehicles, with the volumes of sales for all of these vehicles currently growing at over 125% year-on-year, further supported by the Government's recent Ten Point Plan for a Green Industrial Revolution.

Growth strategy
The Group's mission is to be recognised as the leading provider of essential infrastructure services in the UK. In response to the challenging trading period the Group has just encountered, the Group's priorities now are to:

- grow within current core markets, to achieve market share gains;
- expansion, to achieve growth; and
- capitalise on acquisition opportunities, to achieve scale and earnings accretion.

Financial performance
Revenue for the Group decreased by 18.9% to £125.7m (2019: £155.1m). Tamdown's revenue decreased by 23.5% to £85.8m (2019: £112.2m). TriConnex's revenue decreased by 6.5% to £39.1m (2019: £41.8m) and eSmart Networks' revenue increased by 4.2% to £2.2m.

Gross profit for the year decreased to £16.7m (2019: £27.9m) with the overall gross margin at 13.3% (2019: 18.0%). For Tamdown, the low number of new site starts significantly impacted revenues, putting pressure on fixed costs leading to an unavoidable redundancy programme at the financial year end. The dry weather conditions of spring and summer are always the most efficient periods for Tamdown with trading weighted accordingly. With the significantly reduced levels of activity in that period this year, margins have been adversely impacted. This impact, combined with the return to work Covid-19 protocols on site and the recording of additional costs on a number of contracts, have resulted in a one off reduction in the Tamdown gross margin to 4.9% (2019: 13.0%). The gross margin achieved by TriConnex in the year was 30.5% (2019: 30.8%) with the very modest decrease attributed to the continuing successful expansion into new regions and a broadening of the customer base, which tend to record lower margins initially. The margin for eSmart Networks continued to improve, with a gross margin for the year of 27.6% (2019: 23.4%) as efficiencies continue to be identified and implemented.

Administrative expenses for the Group, including redundancy costs which have been recorded as exceptional items, decreased in the year by £2.7m to a total of £19.2m (2019: £21.9m), with savings achieved on people-related costs of £2.9m inclusive of a £1.0m Government grant from the Job Retention Scheme for furloughed office employees.

The Group's operating loss for the year before exceptional items was £1.9m (2019: profit £6.0m). Exceptional items totalling £0.6m (2019: £nil) relate to redundancies. The Group operating loss for the year totalled £2.5m (2019: profit £6.0m). The loss for the year attributable to equity holders of the parent company was £2.4m (2019: profit £4.2m).

Other financial information

Order book
The Group's order book decreased during the year by 17% to £282.0m (2019: £338.9m). The reduction was principally driven by Tamdown's order book decrease to £92.8m (2019: £151.6m) as a result of reduced activity levels, pricing pressures and customers taking a more cautious approach to starting new sites. TriConnex's performance has been resilient with the order book ending the year at £185.4m (2019: £184.8m), driven by the up-front, mission-critical nature of securing utility network connections on development sites. eSmart Networks continued to progress with the order book up 52% to £3.8m (2019: £2.5m) driven by increased EV infrastructure demand.

Net finance costs
The net finance charge for the year totalled £0.34m (2019: £0.28m). Interest received on bank deposits totalled £0.03m (2019: £0.06m) and interest payable totalled £0.38m (2019: £0.34m). Interest payable constitutes interest on bank borrowings of £0.25m (2019: £0.20m) and interest on lease liabilities of £0.12m (2019: £0.14m).

Tax
The Group recorded a tax credit for the year of £0.5m (2019: charge £1.5m), representing an effective tax rate of 16.9% (2019: 26.8%). The current year's tax losses have been adjusted against prior year tax charges. The tax charge in the prior year included an exceptional adjustment in respect of understated tax in prior periods. Going forward, we expect our tax rate to be broadly in line with the prevailing corporation tax rate.

Earnings per share
Basic loss per share equated to 5.9p, compared to an earnings per share of 11.0p in 2019. The diluted loss per share was 5.9p (2019: earnings 10.6p).

Dividends
As noted in the Chairman's statement, the Company did not pay an interim dividend and the Board is not recommending a final dividend for the year ended 30 September 2020. In 2019 the Company paid an interim dividend of 2.2p per share and a final dividend of 4.4p per share, giving a total dividend for the year of 6.6p per share. The Board hopes to recommence dividends in the current financial year dependent upon the return of a more stable trading environment.

Statement of financial position
The Group continues to maintain a strong balance sheet with shareholders' funds increasing during the year to 30 September 2020 by £5.6m to £28.8m (2019: £23.3m); the movement including the placing of shares which raised a net £9.6m, the payment of the 2019 final dividend totalling £1.7m and the trading performance of the Group companies.

The Group has invested £6.3m during the year in the construction of the new head office building, which is expected to be complete during the first half of 2021. We believe bringing the majority of our office-based staff together in one location will support both our cultural and strategic objectives in the years to come.

Non-current assets increased over the year by £4.2m to £18.5m (2019: £14.2m), with the increase due to the investment in buildings, mitigated by depreciation and disposals. Current assets increased by £3.7m to £84.3m (2019: £80.7m) with inventories increasing by £0.8m, trade and other receivables decreasing by £3.3m, contract assets by £0.7m and cash balances increasing by £4.7m to £32.1m (2019: £27.4m).

Total liabilities increased by £2.4m to £74.0m (2019: £71.6m), with trade and other payables decreasing by £7.1m, contract liabilities increasing by £6.0m, lease liabilities decreasing by £1.1m and borrowings increasing by a net £4.6m to fund the construction of the head office building.

Cash flow
The Group generated £4.7m (2019: £1.0m) of cash in the year, resulting in a cash and cash equivalents balance at 30 September 2020 of £32.1m (2019: £27.4m).

Operating cash flows before working capital movements utilised £0.4m (2019: generated £8.7m). Working capital decreased during the year by £0.5m (2019: decrease of £1.5m), with a decrease in debtors and an increase in net contract liabilities only partly mitigated by the increase in inventories and a decrease in payables, resulting in cash generated from operating activities of £0.1m (2019: £10.2m). Tax and interest payments amounted to £0.5m (2019: £2.0m). Cash utilised in investing activities totalled £6.0m (2019: £1.3m), with £6.5m used to acquire fixed assets. Net cash inflows from financing activities totalled £11.1m (2019: £5.9m), including £9.6m from the placing of shares, net of related fees, £11.1m from the draw down of bank facilities, of which £5.0m related to the drawing under the revolving credit facility in March 2020, repaid in full in June 2020, £1.4m on lease repayments and £1.7m (2019: £2.5m) on dividend payments.

The Group continues to have a good relationship with its sole banker, Allied Irish Bank ("AIB"). The current facilities provided by AIB include a Term Loan of £2.9m, a Development Loan of £10m, with £6.5m drawn, an undrawn revolving credit facility of £5.0m, and an associated accordion of £5.0m. Due to the impact of Covid-19 on the results of the Group, the financial covenants tests of the facilities were amended by mutual consent in June 2020 from profitability associated tests to balance sheet tests, which the Group is fully compliant.

Treasury risk management
The Group's cash balances are centrally pooled and invested, ensuring the best available returns are achieved consistent with retaining liquidity for the Group's operations. The Group deposits funds only with financial institutions which have a minimum credit rating of A. As the Group operates wholly within the UK, there is no requirement for currency risk management.

Summary and outlook
This has clearly been a challenging year across the whole of the industry, but we have swiftly taken the necessary mitigating actions to protect our employees and our businesses. We have an established reputation for delivery amongst our customers, we have maintained our strong balance sheet with the support of our shareholders, and we have an order book which provides us with visibility of future earnings.

Looking forward, we are starting to see improving trading conditions and we expect to return to profitability in this financial year and so expect to recommence market guidance early in 2021. There still remains a fundamental shortage of housing and infrastructure in the UK and we have positioned ourselves well with strong established relationships to address the anticipated increased level of activity in the year ahead.

Mike Morris **Alan Martin**
Chief Executive Officer Chief Financial Officer
11 December 2020

Operational review

Tamdown

Financial and operating performance
The Covid-19 pandemic has had a significant impact on the trading of Tamdown in the second half of the financial year. Trading in the first half of the year had seen strong revenue growth of 21.1%, with a record opening order book and customers keen to progress with sites. The commencement of lockdown in March resulted in all sites closing and up to 98% of employees being furloughed. Sites started to reopen in May, though it took until August for all sites to reopen, with an encouraging level of activity, though significantly lower than the first half of the year. The summer period is traditionally a very active time as works can be progressed efficiently due to generally better weather conditions, so the timing of the lockdown and the return to sites had a disproportionate impact on revenues. Revenue for the year totalled £85.8m, a decrease of 23.5% (2019: £112.2m).

Upon return to site, additional health and safety protocols were introduced to ensure the safety of our employees, customers and communities. These additional protocols along with lower activity levels and the low level of new site starts have resulted in margin pressures. During these difficult trading conditions, customers are taking rigid commercial positions, which has resulted in margin write downs on some contracts. Accordingly, Tamdown's gross profit for the year was £4.2m (2019: £14.5m), which equated to a gross margin of 4.9% (2019: 13.0%). Mitigating actions have been taken to ensure that the gross margin has been stabilised.

Administrative expenses reduced by £3.0m to £7.5m (2019: £10.5m), with savings in people costs of £2.2m, inclusive of the Job Retention Scheme grant of £0.4m, and depreciation £0.4m. The people cost savings were achieved through tight cost control throughout the year and then headcount reductions at the end of the year. Due to the low level of contract awards for the financial year and then the lower levels of activity over the summer months, the anticipated activity in the foreseeable future has reduced, which resulted in the need to reduce the cost base. Following a detailed review of activities and needs, a resizing of the Company has led to a number of redundancies, the cost of which, £0.6m, has been reported as an exceptional item.

Operating loss totalled £3.3m (2019: profit £4.0m).

The Tamdown order book decreased to £92.8m (2019: £151.6m). The Company was active on sites during the first half of the year as end customer demand supported the need for new housing. However, Tamdown's direct customers have, throughout the year, taken a cautious approach to starting new sites, because of Brexit uncertainty, the impact of Covid-19 and, more recently, the forthcoming end of the temporary stamp duty holiday.

Our markets
Tamdown customers are UK housebuilders and affordable housing developers, including housing associations. As such, the UK housebuilding market is key to Tamdown. There is currently general uncertainty posed by the Covid-19 pandemic's impact on the global and UK economy, along with the end of the transitional arrangements for the UK's exit from the EU. However, the fundamental market growth drivers for our business are positive since the housing market has been in a long-term position of structural undersupply as the number of new houses built has failed to keep pace with the rate of household formation. The National Housing Federation has identified the need for up to 340,000 new homes in England per year up to 2031, which is ahead of the Government estimate of 300,000 new homes target to tackle the housing shortage. There is the expectation that the housing deficit will remain over the long-term. The prevalence of this deficit has attracted a significant amount of Government stimulus to the sector.

Tamdown operates in the South East of England and London, where the undersupply of housing appears to be more acute compared to the rest of the UK. The number of projects commencing has been limited since the second half of 2019 due to customer concerns regarding Brexit negotiations, the Covid-19 pandemic and the approaching end of the temporary stamp duty holiday. Tamdown works with the majority of the quoted housebuilders, who account for approximately 50% of total private new build volumes. This dominance is expected to continue as these customers work through their land bank and develop larger schemes.

Tamdown also works with a number of housing associations that deliver mixed tenure developments and are focused on the affordable homes segment of the housing market, who offer variety and strength to its customer base.

Despite the current political uncertainty, there is general acceptance that there is a deficit in housing supply and so with Tamdown's established market position as one of the leading providers of infrastructure and civil engineering services to major UK housebuilders, we are well placed to benefit from the Government's current and future stimulus.

Growth strategy
Tamdown's ambition is to return to yielding profits in a sustainable manner through the successful delivery of its strategic goals, including:

Margin enhancement:
The limited number of project awards in the past year has resulted in a competitive market for Tamdown to secure projects. Tamdown's ongoing focus is on how the team plans and procures the resources required on projects, the mobilisation process and the interaction with customers before and during delivery, to ensure that projects are delivered safely, on time, to a high-quality and profitably.

Multi-phase projects:
A significant element of Tamdown's work is from larger, multi-phase projects, which provide a good level of visibility of future revenues.

These projects are typically large housing developments which are completed in stages. Once Tamdown has won an initial phase it is typically retained for the remainder of the scheme, the phases of which can extend over many years. With Tamdown's extensive customer base and long-standing reputation for great customer service, the Company is well placed to be awarded multi-phase projects.

Market penetration:
Tamdown has strong relationships with many regional businesses of blue-chip customers. Within the geographies where Tamdown operates, a number of existing customers have additional regional businesses to which Tamdown does not currently provide services. Accordingly, there is an opportunity to increase market share by winning projects with these additional regional businesses. This is likely to be achieved through the provision of excellent customer service to current customers, which will lead to recommendations to other regions. Tamdown has been successful during the year in deepening its market penetration by gaining ten new customers, seven of which were regional businesses of existing customers. These businesses present an ongoing growth opportunity.

Customer diversification:
The majority of Tamdown's customers are large residential housebuilders. Tamdown is developing relationships with customers that address the affordable housing market, such as housing associations that undertake developments themselves and main contractors that build on behalf of housing associations.

The skills that Tamdown employs are transferable from the residential sector to other sectors and services. The infrastructure activities that Tamdown undertakes for the residential sector, such as earthwork optimisation, highway works, remediation and drainage solutions, are all services that can also be extended to non-residential customers.

Outlook
Tamdown has an established market position, a reputation for providing quality services to UK housebuilders, and is developing key relationships with the Build to Rent and affordable housing sector developers. The backdrop of Government stimulus to counter the housing supply deficit, provides us with confidence that our existing and new customers will continue to demand our services, and our business is well positioned to return to profit and generate cash.

<u>TriConnex</u>

Financial and operating performance
Revenue for TriConnex decreased by 6.5% to £39.1m (2019: £41.8m). The year-on-year decrease was limited to a reduction of £2.7m due to a strong revenue growth in the first half of the year, which recorded a revenue increase of 19.3%. Activity during lockdown was higher than expected as a number of sites operated by smaller developers remained open, resulting in the need to furlough 75% of employees, a lower level than expected. Activity levels during the summer months then recovered to close to pre-Covid-19 levels. TriConnex is engaged at the very early stage of developments with its customers, and often secures contracts prior to land acquisition. The maintenance of the order book at high levels illustrates that customers continue to be active and are considering long-term plans.

TriConnex is a high gross margin business, principally due to the more technical, office-based, added-value nature of the services it provides, resulting in a higher proportion of overhead costs. The gross margin was broadly flat during the year at 30.5% (2019: 30.8%) despite the impact of additional health and safety protocols incorporated into working practices. Expansion continued both geographically and by diversifying its customer base and with margin levels with new customers being typically lower than with established customers.

As TriConnex provides a full concept to connection service with a significant amount of desktop planning, research and technical design, the majority of TriConnex's staff are office based. Overheads for the year decreased by £0.1m to £8.5m (2019: £8.6m), which includes the benefit of the Job Retention Scheme grant of £0.4m.

Operating profit decreased by 21.3% to £3.4m (2019: £4.3m) with an operating margin of 8.7% (2019: 10.3%).

TriConnex's order book has been resilient with a growth of £0.6m over the year to £185.4m (2019: £184.8m). This represents a strong performance by TriConnex driven by the up-front, mission-critical nature of securing utility network connections on development sites.

Our markets
The utility connections market consists of three regulated utilities: electricity, gas, and water; and the unregulated utility markets of fibre and electric vehicle charging infrastructure. Following the opening of the connections market to competition, TriConnex entered the market in 2011 to offer electricity and gas connections, expanding to offer water connections in 2014, fibre connections in 2016 and domestic electric vehicle charging in 2019.

TriConnex continues to differentiate itself in the market through its provision of a full multi-utility connection offer, coupled with a deep focus on outstanding customer service.

Historically, utility connections have been a challenge for many developers, however TriConnex's core aim is to apply its customer understanding to provide an enhanced experience and deliver connections on time, every time. With the National Housing Federation identified need for up to 340,000 new homes in England per year up to 2031, TriConnex can play a major role in supporting developers achieve this target.

TriConnex's core customer base consists of a mix of large, small and mid-sized residential developers, who are offered a full multi-utility service. Building on its established position in the gas and electricity connections market, recent regulatory changes have supported the newer service offerings. In fibre, the recent increase in tier 1 Internet Service Providers ("ISP") offering services across independent fibre networks provides developer customers with a more extensive, viable choice of networks. In water, Ofwat has mandated that all water companies publish their charging regime as well as shortening the application process for independent water adopters. In addition, a new asset adoption code has been created by Ofwat to simplify the water network adoption process. All these changes should support greater levels of access for independent connection companies in the fibre and water connections markets, in which TriConnex is well placed to benefit. In electric vehicle charging, many town planners are now mandating the requirement for access to electric vehicle charging for new residential properties.

Looking forward, reducing carbon emissions from the heating of homes is one of the many issues being debated as part of the Government's net zero by 2050 requirement. The approach has been set out in the Future Homes Standard which proposes a ban on the use of fossil fuel heating systems in new homes by 2025 alongside other measures to improve energy efficiency. These changes would significantly change the utility requirements for new housing projects with gas potentially eliminated as a core utility, but the proposed expansion of heat pump utilisation will enhance electricity requirements. TriConnex is working in partnership with its customers to determine how these changes may impact current and proposed projects and identifying the right solutions to support this.

Growth strategy
TriConnex's growth ambitions are to build the business in a significant and sustainable manner, with the key differentiator being the quality of service provided to its customers. The growth drivers include:

Market penetration:
TriConnex has expanded from its original base in the South East into the South West and most recently into the Midlands. Within these regions TriConnex has good relationships with many regional businesses of existing blue-chip customers, however there are also more regional businesses in these areas to whom TriConnex does not currently provide services. These businesses present a continued growth opportunity.

Customer diversification:
With a customer base of residential housebuilders, the focus had previously been the larger residential housebuilders, but TriConnex is now developing more relationships with small and mid-sized private development residential housebuilders as well as providers of affordable housing.

Service innovation:
When TriConnex began in 2011 the business offered the design, installation and connection of gas and electricity networks. The Company continually considers how to improve its service to customers, and this has resulted in the subsequent introduction of water networks, fibre networks and residential EV charging infrastructure; based on customer requirements. Service developments currently underway include enhancing the number and quality of fibre network providers housebuilders can connect to, including the recent addition

of 'Sky' to our offering as an ISP, and expanding the ways that housing developments can access electric vehicle charging units.

Outlook

The proportion of regulated utility connections made by independent providers is expected to continue to increase. TriConnex has already built a reputation of providing a high level of customer service alongside cost-effective, efficient connections. The fundamental market growth drivers for our business are positive, which, with our continuing strong order book, means it is well positioned to deliver further growth.

eSmart Networks

Financial and operating performance

eSmart Networks has continued to develop its offering to the EV charging infrastructure sector. During the year it has completed a variety of installations, including single charging units at destination sites such as pubs, supermarkets and petrol station forecourts, ultra-high-powered 'charging stations' and the commencement of work within multiple car dealerships in advance of the large expansion in the number of electric vehicle models next year. The majority of sites that eSmart Networks was active on remained open during the lockdown, resulting in only 30% of employees being placed on furlough for a period. Revenue for the year totalled £2.2m (2019: £2.1m), as the business continues to scale up in parallel to the growing pace of the EV charging infrastructure sector.

A focus on costs and improved project management has led to enhanced project efficiencies with the gross margin for the year increasing to 27.6% (2019: 23.4%), with gross profits totalling £0.6m (2019: £0.5m).

We consider this sector to have strong growth potential and so have continued to grow the team to support these opportunities. Administrative expenses have grown £0.3m to £1.4m (2019: £1.1m), with the headcount increasing to 31 by the year end (2019: headcount 24). The operating loss for the year was £0.8m (2019: loss £0.6m).

The order book at 30 September 2020 has increased by 52% to £3.8m (2019: £2.5m).

Our markets

The UK has a legal commitment to tackle climate change and in 2019, it became the first major economy to write into law the commitment to bring all greenhouse gas emissions to net zero by 2050. Transport generates approximately a quarter of all the UK's greenhouse gas emissions; therefore, to achieve the legally binding reduction target for the UK, emissions generated from transport need to be extensively reduced.

In 2018, the UK Government published the Road to Zero strategy, which places electric vehicles at the heart of the transition to a lower emission transportation system as well as recognising the need for large-scale infrastructure investment to support this transition. Support and initiatives include the funding for rapid charging points, research and development investment to support promising EV technologies, schemes to allow businesses to try electric vehicles for free before they buy and working with private businesses to help potential EV purchasers make informed decisions.

In November 2020, the Government published The Ten Point Plan for a Green Industrial Revolution. The plan includes the acceleration of the shift to zero emission vehicles, which will end the sale of new petrol and diesel cars and vans from 2030. Support for this plan includes the investment of £1.3bn to accelerate the roll out of charging infrastructure on motorways and major roads, along with more on-street charge points.

Recent studies suggest that the UK will require more than 25m electric vehicle charging points by 2050 in order for the UK to achieve the net zero emission target, with 2.6m in public places and the balance as private charging points for houses with off-street parking at an overall estimated installation cost of £50bn.

eSmart Networks was created by Nexus to support the UK's transition to a lower-carbon transportation system as well as to provide renewable energy connections. eSmart Networks applies the electrical expertise from within TriConnex, along with the civil engineering experience of Tamdown, to be perfectly placed to design and install the electric vehicle charging and smart energy infrastructure required in the UK.

Growth strategy

eSmart Networks' growth ambitions are to build the business in a significant and sustainable manner. The growth drivers include:

Product and service expansion:

To date, eSmart Networks has designed and installed charging units at destination sites, such as supermarkets and pubs, en-route charging points at or near petrol forecourts and complex multi-point fleet charging solutions with integrated battery storage. Utilising this experience, the business will expand the service offering to businesses with fleets of vehicles, workplace charging and continue to expand the diversity of destination sites.

In conjunction with the design and installation of electric vehicle charge points, the business is expanding its capabilities as an Independent Connections Provider for the industrial and commercial sector, with a particular focus on renewable energy sources and storage.

Geographic expansion:

From the outset, our smart energy division was set up to be a national business. eSmart Networks has successfully designed and installed charging units, from single charge points to ultra-high-powered charging stations, in each of the nations of Great Britain. The business is well placed to take advantage of the significant investment in charging infrastructure throughout the UK that is being made by private funds, car manufacturers and Government.

Outlook

The Board believes that the macro-environmental factors (legal net zero target, large Government finance commitment, growing awareness of carbon emissions and reducing ownership cost of EVs) will drive significant transformation to an electrified transport system. In parallel to this, a significant reduction in the use of natural gas will be necessary, requiring large and complex investments in the national electricity networks. eSmart Networks has the existing expertise and is perfectly positioned to provide the critical grid connection and installation services for the EV transition, supporting the wider electrification of the transport networks, which is expected to significantly grow revenues and lead to profitability in the years to come.

Consolidated statement of comprehensive income
For the year ended 30 September 2020

	Note	**2020 £'000**	2019 £'000
Revenue		**125,726**	155,103
Cost of sales		**(108,981)**	(127,178)

Gross profit		**16,745**	27,925
Administrative expenses		**(19,249)**	(21,940)
Operating (loss)/profit before exceptional items		**(1,873)**	5,985
Exceptional items	4	**(631)**	-
Operating (loss)/profit		**(2,504)**	5,985
Finance income	5	**35**	59
Finance expense	5	**(378)**	(339)
(Loss)/profit before tax		**(2,847)**	5,705
Taxation	6	**482**	(1,530)
(Loss)/profit and total comprehensive (expenses)/income for the year attributable to equity holders of the parent		**(2,365)**	4,175
(Losses)/earnings per share (p per share)			
Basic	8	**(5.87)**	10.95
Diluted	8	**(5.87)**	10.63

Consolidated statement of financial position
As at 30 September 2020

	Note	2020 £'000	2019 £'000
Non-current assets			
Property, plant and equipment	**9**	**12,971**	6,992
Right of use assets		**3,133**	4,845
Goodwill		**2,361**	2,361
Other investments		**3**	43
Total non-current assets		**18,468**	14,241
Current assets			
Inventories		**1,184**	378
Trade and other receivables		**37,665**	40,922
Contract assets		**12,727**	11,986
Corporation tax asset		**641**	-
Cash and cash equivalents		**32,115**	27,366
Total current assets		**84,332**	80,652
Total assets		**102,800**	94,893
Current liabilities			
Borrowings		**1,613**	2,000
Trade and other payables		**32,245**	39,392
Contract liabilities		**28,581**	22,572
Lease liabilities		**1,265**	1,461
Corporation tax		**-**	164
Total current liabilities		**63,704**	65,589
Non-current liabilities			
Borrowings		**7,749**	2,745
Lease liabilities		**2,269**	3,136
Deferred tax liabilities		**278**	152
Total non-current liabilities		**10,296**	6,033
Total liabilities		**74,000**	71,622
Net assets		**28,800**	23,271
Equity attributable to equity holders of the Company			
Share capital		**905**	762
Share premium account		**9,419**	-
Retained earnings		**18,476**	22,509
Total equity		**28,800**	23,271

Consolidated statement of changes in equity
For the year ended 30 September 2020

	Share capital £'000	Share premium account £'000	Retained earnings £'000	**Total £'000**
Equity as at 1 October 2018	762	-	20,262	**21,024**
Transactions with owners				
Dividend paid	-	-	(2,515)	**(2,515)**
Share-based payments	-	-	587	**587**
	-	-	(1,928)	**(1,928)**
Total comprehensive income				
Profit and total comprehensive for the year	-	-	4,175	**4,175**
	-	-	4,175	**4,175**
Equity as at 30 September 2019	762	-	22,509	**23,271**
Transactions with owners				
Dividend paid	-	-	(1,677)	**(1,677)**
Share-based payments	-	-	9	**9**
Issue of share capital	143	9,419	-	**9,562**
	143	9,419	(1,668)	**7,894**
Total comprehensive income				
Loss and total comprehensive expense for the year	-	-	(2,365)	**(2,365)**
	-	-	(2,365)	**(2,365)**
Equity as at 30 September 2020	905	9,857	18,476	**28,800**

Consolidated statement of cash flows
For the year ended 30 September 2020

	Note	**2020 £'000**	2019 £'000
Cash flow from operating activities			
(Loss)/profit before tax		**(2,847)**	5,705
Adjusted by:			
Loss/(profit) on disposal of property, plant and equipment - owned		**81**	(40)
Loss on disposal of property, plant and equipment - right of use		**-**	6
Share-based payments		**9**	587
Loss on disposal of assets measured at FVOCI		**40**	-
Finance expense (net)		**343**	280
Depreciation of property, plant and equipment - owned		**538**	686
Depreciation of property, plant and equipment- right of use		**1,420**	1,504
Operating (loss)/profit before working capital changes		**(416)**	8,728
Working capital adjustments:			
(Decrease)/increase in trade and other receivables		**3,258**	(6,837)
Increase in contract assets		**(741)**	(1,274)
Increase in inventories		**(806)**	(349)
(Decrease)/increase in trade and other payables		**(7,197)**	5,998
Increase in contract liabilities		**6,009**	3,929
Cash generated from operating activities		**107**	10,195
Interest paid		**(328)**	(339)
Taxation paid		**(197)**	(1,667)
Net cash (used in)/generated from operating activities		**(418)**	8,189

Cash flow from investing activities

Purchase of property, plant and equipment - owned		**(6,473)**	(2,071)
Proceeds from disposal of property, plant and equipment - owned		**469**	665
Proceeds from disposal of property, plant and equipment - right of use		**-**	50
Proceeds from disposal of assets measured at FVOCI		**-**	4
Interest received		**35**	59
Net cash used in investing activities		**(5,969)**	(1,293)
Cash flow from financing activities			
Dividend payment	7	**(1,677)**	(2,515)
Drawdown of term loan		**6,117**	345
Drawdown of revolving credit facility		**5,000**	-
Repayment of term loan		**(1,500)**	(2,000)
Repayment of revolving credit facility		**(5,000)**	-
Principal elements of lease repayments		**(1,366)**	(1,774)
Net proceeds from the issue of share capital		**9,562**	-
Net cash generated from/(used in) financing activities		**11,136**	(5,944)
Net change in cash and cash equivalents		**4,749**	952
Cash and cash equivalents at the beginning of the year		**27,366**	26,414
Cash and cash equivalents at the end of the year		**32,115**	27,366

1. Accounting policies

The financial information set out above does not constitute the Company's financial statements for the years ended 30 September 2020 or 2019 but is derived from those statements. Financial statements for 2019 have been delivered to the Registrar of Companies and those for 2020 will be delivered following the Company's annual general meeting. The auditor has reported on those statements; their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s498 (2) or (3) Companies Act 2006 or equivalent preceding legislation.

While the financial information included in this preliminary announcement has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, this announcement itself does not contain sufficient information to comply with IFRS.

The accounting policies used to prepare these preliminary results are the same as those used in the preparation of the Group's audited accounts for the year ended 30 September 2019 which have been delivered to the Registrar of Companies.

In determining the appropriate basis of preparation of these financial statements, the Directors are required to consider whether the Group can continue in operational existence. Budgets for the three-year period to September 2023 have been prepared and approved by the Board; they incorporate the forecast impact of Covid-19 on current operations and reflect a cautious view on recovery.

These budgets were then subject to a range of sensitivities including a severe but plausible scenario together with mitigating actions. Changes to the principal assumptions included:

- a further two-month lockdown where minimal site activity occurs;
- a reduction in work secured of approximately 21%;
- a reduction in revenue of approximately 26%; and
- a reduction in gross profit of approximately 27%.

The Budgets, as approved by the Board, satisfied all of the financial covenants of the banking facilities. The downside scenarios significantly reduced profitability resulting in some of the financial covenants, which were profit based, not being satisfied for a number of testing periods. Following detailed discussions with our bank, alternative covenants have been agreed which test various balance sheet metrics. The forecasts, using the downside assumptions, satisfy the revised financial covenants and the Budgets also satisfy the revised financial covenants with ample levels of headroom.

Based on the results of the analysis undertaken the Directors have a reasonable expectation that the Group has adequate resources to meet its liabilities as they arise for at least 12 months, consequently, the Directors have adopted the going concern basis of accounting in the preparation of this report.

2. Revenue

Revenues from external customers are generated from the supply of services relating to construction contracts, design, installation and connection of utility networks and electric vehicle and smart energy infrastructure. Revenue is recognised in the following operating divisions:

	2020 Tamdown	**2020 TriConnex**	**2020 eSmart Networks**	**2020 Total**

	£'000	£'000	£'000	£'000
Segment revenue	85,828	39,091	2,196	127,115
Inter-segment revenue	(1,389)	-	-	(1,389)
Revenue from external customers	**84,439**	**39,091**	**2,196**	**125,726**
Timing of revenue recognition				
Over time	84,439	39,091	2,196	125,726
Client type				
Residential	80,478	39,091	2,196	119,569
Non residential	3,961	-	-	6,157
	84,439	**39,091**	**2,196**	**125,726**

	2019	**2019**	**2019**	**2019**
	Tamdown	**TriConnex**	**eSmart Networks**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Segment revenue	112,228	41,798	2,108	156,134
Inter-segment revenue	(1,031)	-	-	(1,031)
Revenue from external customers	**111,197**	**41,798**	**2,108**	**155,103**
Timing of revenue recognition				
Over time	**111,197**	**41,798**	**2,108**	**155,103**
Client type				
Residential	110,615	41,798	-	152,413
Non residential	582	-	2,108	2,690
	111,197	**41,798**	**2,108**	**155,103**

Inter-segment revenues are earned on an arm's length basis.

3. Segmental analysis

The Group is organised into the following three operating divisions under the control of the Executive Board, which is identified as the Chief Operating Decision Maker as defined under IFRS8 'Operating Segments':

· Tamdown;
· TriConnex; and
· eSmart Networks.

All of the Group's operations are carried out entirely within the United Kingdom.

Segment information about the Group's operations is presented below:

	Note	**2020**	2019
		£'000	£'000
Revenue			
Tamdown		**85,828**	112,228
TriConnex		**39,091**	41,798
eSmart Networks		**2,196**	2,108
Inter-company trading		**(1,389)**	(1,031)
Total revenue		**125,726**	155,103
Gross profit			
Tamdown		**4,235**	14,547
TriConnex		**11,904**	12,885
eSmart Networks		**606**	493
Total gross profit		**16,745**	27,925
Operating profit			
Tamdown		**(3,288)**	4,033
TriConnex		**3,400**	4,319
eSmart Networks		**(791)**	(621)
Group administrative expenses		**(1,194)**	(1,746)
Operating (loss)/profit before exceptional items		**(1,873)**	5,985
Exceptional items			
Tamdown		(572)	-
Group		(59)	-
Total operating (loss)/ profit		**(2,504)**	5,985

Net finance cost	5	**(343)**	(280)
(Loss)/profit before tax		**(2,847)**	5,705
Taxation	6	**482**	(1,530)
(Loss)/profit and total comprehensive (expenses)/income for the year		**(2,365)**	4,175

4. Exceptional items

	2020 £'000	2019 £'000
Restructuring costs	**631**	-
	631	-

Due to lower activity levels, Tamdown and central departments were restructured, resulting in redundancy costs.

5. Finance income and expense

	2020 £'000	2019 £'000
Finance income		
Interest on bank deposits	**35**	59
Finance expense		
Interest on bank loan	**(252)**	(199)
Interest on lease liabilities	**(126)**	(140)
	(378)	(339)
Finance expense (net)	**(343)**	(280)

6. Taxation

	2020 £'000	2019 £'000
Current Tax:		
UK corporation tax on profits for the year	**-**	1,004
Adjustment in respect of prior periods	**(608)**	(56)
Exceptional adjustment in respect of prior periods	**-**	422
Total current tax	**(608)**	1,370
Deferred Tax:		
Origination and reversal of timing differences	**182**	297
Adjustment in respect of prior periods	**(67)**	(137)
Effect of tax rate change on opening balance	**11**	-
Total tax (credit)/charge	**(482)**	1,530

The tax assessed for the year is different from the standard rate of corporation tax as applied in the UK. The differences are explained below:

(Loss)/profit before tax	**(2,847)**	5,705
(Loss)/profit before tax multiplied by the respective standard rate of corporation tax applicable in the UK (19.0%) (2019: 19.0%)	**(541)**	1,084
Effects of:		
Fixed asset differences	**8**	626
Non-deductible expenses	**141**	168
Income not taxable for tax purposes	**-**	(150)
Group relief surrendered	**55**	-
Other tax adjustments, reliefs and transfers	**(6)**	(560)

Losses carried back	**582**	-
Adjustment in respect of prior periods - current tax	**(608)**	(56)
Exceptional adjustment in respect of prior periods	**-**	422
Adjustment in respect of prior periods - deferred tax	**(67)**	(137)
Deferred tax not recognised	**26**	-
Deferred tax	**11**	133
Total tax (credit)/charge	**(482)**	1,530

The credit to current tax arises as a result of an adjustment to the prior year tax charge due to the carry back of losses generated in the current year.

There was no income tax (charged)/credited directly to equity in the year (2019: £nil).

The tax charge for 2019 included an exceptional adjustment in respect of prior periods. The exceptional item has been recorded as the tax charge relating to 2016 and previous years has been found to be understated. The understatement is not material in any year to which it relates or in total but has been considered exceptional due to its nature.

7. Dividends

	2020 **£'000**	2019 £'000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year ended 30 September 2020 of £nil (2019: 2.2p) per share	**-**	838
Final dividend for the year ended 30 September 2019 of 4.4p (2018: 4.4p) per share	**1,677**	1,677
	1,677	2,515

No final dividend is proposed for the year ended 30 September 2020.

8. (Losses)/earnings per share

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to equity shareholders of the Company by the average number of shares in issue for the year.

Diluted (losses)/earnings per share is calculated by adjusting the weighted average number of shares in issue for the year to assume conversion of all dilutive potential shares.

The calculation of the basic and diluted (losses)/earnings per share is based on the following data:

	2020 **£'000**	2019 £'000
(Loss)/profit for the year attributable to equity shareholders	**(2,803)**	4,175
Weighted average number of shares in issue for the year	**40,284,139**	38,117,850
Effect of dilutive potential ordinary shares: Share options	**2,418,224**	1,170,294
Weighted average number of shares for the purpose of diluted earnings per share	**42,702,363**	39,288,144
Basic (losses)/earnings (pence per share)	**(5.87)**	10.95
Diluted (losses)/earnings (pence per share)	**(5.87)**	10.63

There is no dilutive effect of the share options given the loss in the current year.

9. Property, plant and equipment

	Freehold land and buildings £'000	Leasehold improvements £'000	Plant and machinery £'000	Motor vehicles £'000	Fixtures and fittings £'000	Total £'000
Cost						
At 1 October 2018	3,978	657	3,950	1,200	609	10,394
Additions	1,460	-	51	386	174	2,071
Disposals	-	-	(1,616)	(407)	(170)	(2,193)
Asset reclassification	-	-	(227)	227	-	-
At 30 September 2019	5,438	657	2,158	1,406	613	10,272
Additions	6,347	-	13	-	113	6,473
Disposals	-	-	(1,142)	(114)	(4)	(1,260)
Transfer from right of use assets	-	-	1,269)	-	-	1,269
At 30 September 2020	**11,785**	**657**	**2,298**	**1,292**	**722**	**16,754**
Accumulated depreciation						
At 1 October 2018	271	515	2,511	501	365	4,163
Charge for the year	16	99	211	183	177	686
Disposals	-	-	(1,081)	(318)	(170)	(1,569)
Asset reclassification	-	-	(270)	270	-	-
At 30 September 2019	287	614	1,371	636	372	3,280
Charge for the year	15	43	161	193	126	538
Disposals	-	-	(631)	(79)	-	(710)
Transfer from right of use assets	-	-	675	-	-	675
At 30 September 2020	**302**	**657**	**1,576**	**750**	**498**	**3,783**
Net book value						
At 30 September 2018	3,707	142	2,061	699	244	6,853
At 30 September 2019	5,151	43	787	770	241	6,992
At 30 September 2020	**11,483**	**-**	**722**	**542**	**224**	**12,971**

Freehold land and buildings includes buildings in construction with a net book value of £11,158,000.

END

FR TMBTTMTABTBM