07:00 AM WEDNESDAY 21 SEPTEMBER 2022

GALLIFORD TRY HOLDINGS PLC
ANNUAL RESULTS STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

Strong Financial Performance and Confident Outlook

- **Strong performance** resulting in increased revenue, pre-exceptional profit and operating margin.
- **Profit before tax increased by 68% to £19.1m** (2021: £11.4m) before exceptional costs [1].
- **Increased divisional operating margin to 2.4%** (2021: 2.0%), showing excellent progress against our 3% margin target in 2026.
- **Cash generative** with well-capitalised debt-free balance sheet, average month end cash for the period of £174m (2021: £164m), PPP asset portfolio of £47.5m (2021: £49.1m) and no pension liabilities.
- **Final dividend payment up 66% to 5.8p** (2021: 3.5p), together with an interim dividend of 2.2p giving a total dividend of 8.0p, up 70%.
- **Additional capital return** through initial £15m share buy-back programme.
- **One-off payment totalling c£1.0m to over 1,800 employees** in recognition of the cost-of-living challenge.
- **Delivering on our Sustainable Growth Strategy** with confident outlook for disciplined growth in 2023.
- **Confident outlook** with high quality £3.4bn order book (2021: £3.3bn) positioned across our chosen sectors and 90% of FY23 revenue already secured.

	2022	2021[3]
Revenue	**£1,237m**	£1,125m
Operating profit before amortisation[1]	**£18.5m**	£10.1m
Divisional operating margin [2]	**2.4%**	2.0%
Profit before tax[1]	**£19.1m**	£11.4m
Statutory profit before tax	**£5.4m**	£11.4m
Earnings per share[1]	**16.0p**	9.5p
Earnings per share after exceptional items	**5.8p**	9.5p
Full year dividend per share	**8.0p**	4.7p
Average month-end cash	**£174m**	£164m
Order book	**£3.4bn**	£3.3bn

[1] Stated before exceptional items. Exceptional items relate to the acquisition of nmcn's water business (£7.7m) and our investment in the implementation of cloud-based IT systems (£6.0m). There were no exceptional items in 2021.
[2.] Divisional operating margin is defined as pre-exceptional operating profit before amortisation as a percentage of revenue. It is stated for the combined Building and Infrastructure divisions.
[3] All 2021 financial information presented relates to continuing operations, unless otherwise stated.

Bill Hocking, Chief Executive, commented:

"The Group has had another successful year. We have made an excellent start to our Sustainable Growth Strategy, delivering risk managed controlled growth while making good progress on our margin improvement target.

Our commitment to robust risk management, careful contract selection and operational excellence continues to underpin our performance and prospects. The Group is well capitalised and has a strong and selective order book, focused in our chosen and proven sectors. This has enabled us to significantly increase shareholder dividends and capital returns. With strong and disciplined risk management we continue to manage the current market conditions, including the inflationary pressures, and are well placed for further progress in FY23.

With our passionate teams, strong balance sheet, market-leading sector positions, excellent client and supplier relationships and high-quality order book, we look forward to the future with confidence."

Enquiries:

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This announcement contains inside information. The person responsible for making this announcement on behalf of Galliford Try is Kevin Corbett, General Counsel & Company Secretary.

Investor presentations

A webcast presentation and conference call for Analysts and Investors will be held at 09:30am BST today, Wednesday 21 September 2022. To register for this event please follow this link:

https://stream.brrmedia.co.uk/broadcast/63089defda906b287e99fd9a

Should you wish to ask a question, please dial-in on +44 (0)330 165 4012 using confirmation code 1948329, it will not be possible to submit a question via the webcast link.

An open presentation and Q&A session for retail investors will be held on 23 September at 2:30pm BST via the Investor Meet Company platform. Investors can register for the event via this link:

https://www.investormeetcompany.com/galliford-try-holdings-plc/register-investor

SUSTAINABLE GROWTH STRATEGY

Our strategy is to deliver high-quality buildings and infrastructure, in a socially responsible way, while also providing a sustainable return for our shareholders.

Our strategic priorities are:

- Progressive culture, prioritising health, safety and wellbeing and creating an inclusive workplace;
- Socially responsible delivery, adopting sustainable resourcing and consumption practices and making a positive impact in communities;
- Quality and innovation, delivering superior buildings and infrastructure for our clients and aligning with our supply chain; and
- Sustainable financial returns for our shareholders.

Our Sustainable Growth Strategy balances financial targets with wider commitments and aspirations to create long term value for all our stakeholders. In respect of climate change, we are committed to achieving net zero carbon emissions across the Group's own operations by 2030 and across all activities by 2045.

Our strategy targets growth in revenue and margin, which will be achieved by increasing volumes and improving operating margins in our existing markets within Highways, Environment and Building:

- Building operates across the UK and has proven expertise in markets with significant future opportunities, particularly education, defence, health, and the commercial sectors.
- Highways works with both National Highways and Local Authorities in England.
- Environment specialises in water and wastewater services, primarily through frameworks in England and Scotland.
- We continue to develop our Facilities Management, Investments and co-development businesses which provide lower risk, margin enhancing, returns.

We will target further growth in complementary and adjacent markets, utilising our balance sheet strength to deliver increased margins. This element of the strategy has three main strands:

- Increasing our involvement in co-development of Private Rented Sector (PRS) schemes in Building;
- Developing our Green retrofit offering within our Facilities Management team, to meet the growing needs of our clients; and
- Increasing our capital maintenance asset optimisation capabilities within the existing Environment sector.

Financial targets

The Group's Sustainable Growth Strategy is supported by current market conditions and will continue to benefit from our continuing focus on risk management. Our financial targets to 2026 are:

Objective	KPI	Target
Earning a sustainable return on the value we deliver.	Focus on bottom line margin growth	Divisional operating margin growth to **3.0%**
	Disciplined contract selection and sustainable revenue growth	Revenue growth towards **£1.6bn**
	Maintain strong balance sheet	Operating cash generation
	Sustainable dividends	Dividend cover of **2.0x**

Risk management and order book

The Group's established approach to strong risk management, commercial discipline and contract selection provides a strong platform for our strategy to 2026 and continues to underpin our future ambitions. This approach is reflected in the quality of our order book.

At 30 June 2022, the Group had a high-quality order book of £3.4bn (2021: £3.3bn), of which 91% is in the public and regulated sectors and 9% is in the private sector (2021: 91% and 9% respectively).

Frameworks provide certainty of pipeline of work with repeat clients and established terms and conditions, and amount to 94% of our order book (2021: 87%), affording good visibility of future revenues.

Building and Infrastructure were appointed to contracts and frameworks worth over £945m and £466m respectively during the year ended 30 June 2022. Examples of the Group's key frameworks include the Department for Education's school building framework (six lots); Crown Commercial Service (CCS) Capital Works Framework, including ProCure 23; Ministry of Justice Strategic Alliance Framework (multiple lots); hub North Scotland, hub South East Scotland, hub South West Scotland and hub West Scotland; National Highways Delivery Integration Partnership; and AMP7 for Northumbrian Water, Yorkshire Water, Southern Water, Thames Water and Severn Trent Water; Southern Construction Framework; Procure Partnerships Framework and Midlands Highways Alliance.

The Group started the new financial year with 90% of planned revenue secured for the 2023 financial year (2021: 90%).

Dividends and capital allocation

The Board is committed to maintaining a strong balance sheet, which provides the Group with a competitive advantage in its market and supports our growth strategy. Our capital allocation priorities are:

- Supporting operational requirements and strategic opportunities
  A strong balance sheet is an important element in delivering the Group's Sustainable Growth Strategy, as it provides a competitive advantage in the market, supports the Group's disciplined approach, and provides confidence to our clients and supply chain. We are also able to allocate capital to assist the development of our adjacent markets, as set out above. Furthermore, and as demonstrated by our acquisition of the water businesses of nmcn plc and MCS Control Systems (in July 2022), a strong cash balance sheet enables the Group to react quickly to strategic opportunities, including bolt-on acquisitions that enhance our capabilities and increase value.

- Mitigating the effect of future market downturns
  The current outlook across our markets remains encouraging and supports our strategy, but the Group also ensures that it is prepared for any adverse change in market conditions that may arise. Our strong balance sheet is particularly important for the Group to continue to operate its disciplined approach to contract selection and focus on operating margin, irrespective of any short term economic concerns. The current inflationary pressures clearly demonstrate the value and importance of the Group's risk management framework and focus.

- Paying sustainable dividends to shareholders
  The Board understands the importance of dividends to shareholders, and in setting its dividend considers the Group's profitability, its strong balance sheet, high quality order book and longer term prospects. Consistent with this approach the Group expects dividend per share to increase in line with earnings, with dividend cover of 2.0 times annual earnings.

We continue to assess the cash requirements of the business to ensure the Group remains well positioned to deliver on its Sustainable Growth Strategy and has sufficient funds to invest in the business. Given the capital allocation priorities and requirements set out above, the Board anticipates retaining average month-end cash and PPP assets of £175m to £250m to support the delivery of our financial targets to 2026. For the year ended 30 June 2022, the aggregate of month-end cash and PPP assets was £221m, towards the top of this range early in the strategy period. As previously announced, where average month-end cash and PPP assets increase above the level required, the Board will consider making additional returns to shareholders.

Having reviewed the Group's results and the outlook, the Directors are recommending a final dividend of 5.8 pence per share which, subject to approval will be paid on 9 December 2022 to shareholders on the register at 11 November 2022. Together with the interim dividend of 2.2 pence per share paid in April, this will result in a total dividend for 2022 of 8.0 pence per share.

Consistent with the framework set out above, the Company has announced it intends to commence an initial share buyback programme to repurchase up to £15 million of ordinary shares of 50 pence per share. The Board has reviewed the strong cash performance of the last two financial years and the capital required to support the Group's strategic targets, and considers that this is a prudent level of additional capital to return to shareholders, whilst continuing to prioritise a strong balance sheet and sustainable growth.

CURRENT TRADING AND OUTLOOK

The Group has delivered a strong operational and financial performance in the year to 30 June 2022 with increased revenue, profitability and margin growth.

We continue to see good demand across our core markets and anticipate continued progress in the new financial year, in line with our targets. Through our active engagement with our supply chain and disciplined approach to risk management, bidding and careful project management we have successfully managed and mitigated the challenges of supply shortages and inflation without any overall impact on trading or margin.

We are encouraged by the pipeline of new opportunities across our chosen sectors in the public, regulated and private markets together with opportunities in complementary and adjacent markets where we have additional opportunities through our recently acquired businesses. Looking ahead the UK's planned investment in economic and social infrastructure supports growth in our core markets. The Group's strong balance sheet and quality order book mean we are well placed to meet our growth objectives for the new financial year.

We will continue to maintain our disciplined approach to risk management and careful contract selection whilst operating sustainably. Notwithstanding the continued pressures around inflation and labour availability the Group is confident in the future as we look to continue to deliver controlled growth, increase operating margins and enhance shareholder value.

Environment, Social and Governance (ESG) commitments

Fundamental to the Group's Sustainable Growth Strategy is our belief that, for long-term value creation, we must balance our financial performance with delivering the priorities of all our stakeholders. Being sustainable helps us to win work, engages our employees, benefits communities and the environment, and makes us more efficient. This is why our sustainability commitments are an integral part of our strategy, residing at the core of how we deliver stakeholder value.

The six fundamental pillars of our sustainability strategy, which are mapped to the UN Sustainable Development Goals, are set out below:

Health, safety and wellbeing

The health and safety of our people, and those who come into contact with our operations is our number one priority, and we aspire to a target of no harm.

We were pleased to reduce our overall Accident Frequency Rate (AFR) to 0.06 (2021: 0.08) and achieve an AFR of zero across eight business units. Our Lost Time Incident Rate remained stable at 0.26.

We take safety extremely seriously and our improved result is demonstrative of our commitment to our safety programme Challenging Beliefs, Affecting Behaviour which reinforces that nothing we do is so important that we cannot take the time to do it safely, and use Lead Indicators to drive improvement in safety culture and behaviour, for example by learning from high-potential incidents and near misses.

The success of our approach was confirmed in our employee survey, where our highest scoring area was health and safety, with 99% of people responding favourably to the statement we give health and safety high priority.

Our people

To deliver our plans successfully, we need to ensure we have the right talent supported by a great culture. Our approach to this is to retain and invest in our existing teams, while also attracting new high calibre people as a destination employer.

A key highlight of the year was achieving an employee advocacy score of 85% (sector average 80%). This was also demonstrated by a stable churn rate in a competitive market for talent.

Attracting more women into our business is key to accessing the skills we need and promoting a more diverse culture, so, for our strategy period, we are targeting a year-on-year increase for women as a percentage of total employees. For the reported year, the proportion of females across Galliford Try was 24.3% compared to 23.0% last year excluding the nmcn businesses, and 21.2% following the acquisition of nmcn water.

Early careers are the focus of many of our recruitment activities, as they allow us to grow our own talent. Our Graduate Programme and apprenticeships and traineeships remain popular, with 6.1% of our workforce in early careers positions (2021: 7.2%).

Recognising the national cost of living challenge, the Board has approved a one-off payment of circa £1.0m in the Autumn 2022 to provide additional financial support to over 1,800 employees.

We continue to monitor our culture through our Employee Forum, chaired by the Group's Senior Independent Director, which provides direct engagement with individuals from across the Group and drives initiatives which help us to be an employer of choice.

Environment and climate change

Tackling climate change is an essential sustainability priority for us as a business as well as for many of our clients, investors, people and regulators. Last year, we joined the UN-backed campaign Race to Zero and pledged to achieve net zero carbon across our own operations by 2030 and all activities by 2045 using the Science Based Targets initiative (SBTi).

KPI	FY20[1,2]	FY21[1]	**FY22[1]**	Ambition
Scope 1 and 2 carbon emissions (CO_2e tonnes)	18,732	11,525	**10,795**	Net zero by 2030
Scope 3 carbon emissions (CO_2e tonnes)	not reported	Not reported	**6,040**	Net zero by 2045
Waste intensity (tonnes/£100k revenue)	13.04	7.57	**20.96**	YoY reduction

[1]Carbon dioxide equivalent emissions are reported by calendar year and since 2014 have been externally verified to ISO 14064-1.

[2] In 2020 and prior years, the emissions associated with business use of company cars where the employee purchased the fuel and was reimbursed through an expenses claim have been reported under scope 3 – business travel. In 2021, these emissions have been reported under scope 1 in order to be consistent with the reporting of emissions from company cars where the fuel is paid for by a corporate fuel card. To aid comparison with earlier years, the data for 2019 (FY20) and 2020 (FY21) has been re-stated using the methodology used for 2021.

In the year, we were pleased to drive down our scope 1 and 2 emissions by a further 6.3% which reflects a number of ongoing initiatives including early connections to mains electricity supply, the transition to mandating electric and hybrid vehicles in our fleet, more energy efficient site office and welfare cabins, and a transition to alternative fuels.

In 2021, we have for the first time been able to estimate and report on a range of scope 3 categories, including business travel, fuel and energy-related activities and employee commuting. This will form part of our total scope 3 baseline against which we will set our science-based reduction target and monitor our progress towards our 2045 net zero target. Our waste intensity increased in the year, reflecting the project mix, with a greater proportion of higher waste intensity projects. However, waste continues to be an area of focus, with increased use of modern methods of construction, especially off-site manufacture, reducing the volumes of waste produced. We also manage our waste streams to maximise recycling and minimise waste to landfill and have increased the proportion of waste diverted from landfill to 96.3% (2021: 94.5%).

In September 2021, we committed to providing only electric or plug-in hybrid vehicles in our company car fleet. As at the 30 June 2022, 51% of the 1,122 vehicles in our company car fleet are electric or plug-in hybrid and the average emissions per vehicle had reduced to 60.1g/km (2021: 77.9g/km).

We also invested in our own capabilities to support clients with their objectives. Activities included a focus on how we design, build and maintain low carbon infrastructure and buildings through selection of materials and construction methodologies, operational energy consumption and, where relevant, end-of-life decommissioning. We established a cross-disciplinary Carbon Reduction Working Group to identify and coordinate improvement initiatives in relation to employee carbon literacy, carbon calculation, reporting and training.

Communities

The ability to measure the social and local economic outcomes we deliver on our projects is now a requirement for many of our clients, especially in the public sector.

During the year, we extended the scope of our partnership with the Social Value Portal, a tool which is backed by the National TOMs (Themes, Outcomes and Measures) Framework, which helps organisations measure, report and enhance their social value. We are now able to report the social value we deliver on our projects across the group in a consistent way. We evaluated 28 projects completed during the year and on these projects, we delivered a combined Social and Local Economic Value (SLEV) of £306m. 14 projects (50%) delivered a SLEV as percentage of contract value greater than our target of 25% and we have set our ambition for 60% of projects to exceed this threshold.

The Considerate Constructors Scheme (CCS) is an industry wide organisation that strives to improve the impact of the construction industry and leave a positive legacy through implementation of best practice in the areas of community engagement, the environment and workforce wellbeing. Our average CCS audit score increased in the year from 40.6 to 41.8 and remains above the industry average of 39.0.

Clients

Our focus on delivering quality outcomes and building trusted relationships with our clients is reflected in the fact that 94% of our order book is repeat business (2021: 92%) and we continue to have a strong pipeline of secured work in our chosen markets, with 90% of FY23 revenue already secured (2021: 90%).

These are important indicators demonstrating we are building trusted, long-term relationships with our clients based on a track record of delivering on their key priorities and are underpinned by our accreditation to the ISO 44001 Collaborative Business Relationships Standard.

Critical to these long-term relationships is our ability to support clients in achieving their carbon reduction objectives demonstrating how together we can meet the Government strategy for zero carbon, alongside our own net zero commitment by 2045. To achieve this, we are deploying the latest technology and innovation. The key tools we use across our business to reduce the carbon footprint of the schemes we deliver for our clients include:

- Carbon literacy training for all employees in the business to ensure we identify and maximise the carbon savings across the entire life cycle of the project.
- Whole-life carbon tools to assess and measure the carbon performance of components and materials to provide our clients with a clear understanding and informed decisions to maximise the reduction in carbon.
- Digital technology to assess, capture and record decisions that inform future projects and provide a baseline for comparing the performance of the asset.

Supply chain

We continue to focus on developing collaborative, long-term relationships with our supply chain partners through our Advantage through Alignment (AtA) programme, with 60% of our core Aligned trades spend now with aligned subcontractors.

AtA is a programme devised by our business which offers deep collaboration and support to Aligned subcontractors. Through training and education, we align our suppliers and subcontractors with our working practices, our values and our vision. This includes access to our award-winning behavioural safety programme, Challenging Beliefs, Affecting Behaviour; BIM training and access to Continuing Professional Development.

A healthy cash flow is the lifeblood of any business and late payment of invoices can be problematic for suppliers of goods and services. As a signatory of the Prompt Payment Code, we have committed to paying 95% of supply chain invoices within 60 days. We have made further improvements in how quickly we pay our suppliers, with 98% now paid within 60 days and the average days to pay reduced to 25 days and are also making progress against the additional metric of paying 95% of invoices from suppliers with fewer than 50 employees within 30 days.

We continue to retain Gold status from the Supply Chain Sustainability School, an award-winning collaboration designed to upskill its members through free training and resources covering sustainability, off-site manufacturing, BIM, Lean and Management.

FINANCIAL REVIEW[1]

During the year the Group delivered strong performance resulting in increased revenue, pre-exceptional profit and operating margin. Our operating performance, strong financial position and quality order book provide confidence in our future performance.

Our revenue for the year was up 10% at £1,237.2m (2021: £1,124.8m), reflecting disciplined growth in Infrastructure. As expected, Infrastructure's revenue increased as the AMP7 programme in the water sector gathered momentum, and this was supplemented by our acquisition of the water business of nmcn plc (in administration) in October 2021. Of the total, Building contributed revenue of £789.1m (2021: £789.2m), in line with 2021 as a result of some new contract starts towards the end of the financial year moving into FY23, as expected given the increased length of client procurement in response to rising inflation. Infrastructure recorded revenue of £441.9m (2021: £329.2m), including £38.6m organic growth and £74.1m from the nmcn acquisition. PPP Investments' revenue was £6.2m (2021: £6.4m).

The Group's pre-exceptional operating profit before amortisation was £18.5m (2021: £10.1m). Of this, Building generated profit of £18.9m (2021: £15.9m), representing a margin of 2.4% (2021: 2.0%), and Infrastructure generated profit of £10.8m (2021: £6.0m), representing a margin of 2.4% (2021: 1.8%). The combined divisional operating margin of 2.4% (2021: 2.0%) has been achieved in line with our margin improvement targets.

There was an £11.2m net loss in PPP Investments and Central Costs (2021: £(11.8m)), with Central Costs being in line with their 2021 level.

Exceptional items of £13.7m were incurred in the period, as set out in note 5 to the financial statements. £7.7m related to the acquisition and integration of the nmcn water businesses, acquired in October 2021. The remaining £6.0m relates to our investment in cloud-based Enterprise Resource Planning (ERP) finance and commercial systems scheduled to continue into Spring 2023, part of our investment in our digital and data capabilities, which under updated accounting guidance is not allowed to be capitalised. There were no exceptional items in 2021.

Pre-exceptional profit before tax for the year was £19.1m (2021: £11.4m). Pre-exceptional profit before income tax is an alternative performance measure and a key metric we use to monitor our performance in years with exceptional items, such as 2022. Post-exceptional profit before tax was £5.4m (2021: £11.4m).

The table below reconciles profit before income tax to our alternative performance measure of pre-exceptional profit before income tax, which is a key metric for us when monitoring performance of the business.

	2022	2021
	£m	£m
Profit before income tax	5.4	11.4
Exceptional items	(13.7)	-
Pre-exceptional profit before income tax	19.1	11.4

As previously disclosed, the Group provided services in respect of three contracts with entities owned by a major infrastructure fund of a blue-chip listed company. Our work on these contracts formally ceased on their termination in August 2018. Costs were significantly impacted by client-driven scope changes and the Group has submitted claims and variations to the value of circa £95m in respect of these costs (2021: £95m). The Group has taken extensive legal advice on our entitlement, and we have been successful in two adjudications supporting the validity of the Group's position. The claim is progressing in line with the original expected timetable. Taking into account the requirements of IFRS 15, the Group had constrained the revenue recognised in prior periods to the extent that it was highly probable not to result in a significant reversal in the future. At 30 June 2022, the Group has updated its assessed recoverability in accordance with IFRS 15. Given the progress, in line with expectations during the year, this is unchanged. The Group has also updated its expected credit loss provision in accordance with IFRS 9 for which there was no material change in the required provision since the prior year end.

The Group has no debt or defined benefit pension obligations, and at 30 June 2022 had a cash balance of £218.9m (2021: £216.2m). The average month-end cash balance in the year was £174m (2021: £164m) and our daily minimum cash balance was above £100m, which shows continued strong cash performance throughout the year. Our operating cash generation in the year reflects the strong cash performance across the business.

We are committed to pursuing a collaborative and open approach with all our supply chain. Our performance under the Prompt Payment Code continued to improve again, with 98% of invoices paid within 60 days in the financial year (2021: 93%), average payment being made in 25 days (2021: 36 days).

At 30 June 2022, we had a PPP portfolio of £47.5m (2021: £49.1m), reflecting a blended 7% discount rate (2021: 7%). This portfolio contributes to our balance sheet strength and generated interest income of £3.9m (2021: £3.9m) in the year.

We have modest working capital requirements. At 30 June 2022, net working capital employed was £255.5m (30 June 2021: restated, see note 24 £237.6m), predominantly reflecting the net contract liabilities acquired with nmcn.

[1] Pre-exceptional items unless otherwise stated.

OPERATIONAL REVIEW

BUILDING

Building operates through nine regional businesses, serving a range of public and private sector clients across the UK, with a focus on the Education, Defence, Health and Justice sectors, where we have core and proven strengths. Building maintains a substantial presence in Scotland, operating as Morrison Construction.

	2022	2021
Revenue (£m)	**789.1**	789.2
Operating profit before amortisation (£m)	**18.9**	15.9
Operating profit margin (%)	**2.4**	2.0
Order book (£m)	**2,047**	1,920

Building (which includes our FM business) generated revenue of £789.1m (2021: £789.2m), generating an operating profit before amortisation of £18.9m (2021: £15.9m), which represents a margin of 2.4% (2021: 2.0%). Revenue is in line with the prior year as a result of some new contract starts moving into the current financial year reflecting increased length of client procurement in response to rising inflation. The improved profit reflects the continuing improving performance of projects that were added to the order book in recent periods in line with our margin improvement targets.

Our FM business continues to complement our operations by providing high-quality building maintenance services. We continue to grow the capabilities of this operation, with a specific focus on decarbonising existing buildings through retrofit and other interventions. This 'green retrofit' capability will grow over the coming years and we plan to allocate some additional capital to support this growth.

Building won contracts and positions on frameworks worth over £945m, (2021: £641m). Significant appointments and wins for Building included:

- The new four-year £1.6bn LHC Public Buildings, Construction and Infrastructure PB3 framework which covers projects across all public sector buildings.
- A share of the £7bn Department for Education 2021 Construction Framework.
- The £55m Galashiels Community Campus on behalf of Scottish Borders Council and Hub South East.
- A £56m private rented sector (PRS) scheme in Milton Keynes.

- A £25m project under the Department for Education (DfE) Net Zero Carbon in Operation (NZCIO) scheme for Greenhead College in Huddersfield.
- Five lots on the Crown Commercial Service (CCS) and Associated Services Framework covering projects worth up to £20m across the North East, North West, East of England and South East to drive economic growth. In addition, the business has been appointed to Lot 3, which includes projects above £70m in value.
- Positions on the NHS Shared Business Services (SBS) second generation Hard FM framework, to delivery Security, Fire and Hard FM Managed Services. Valued up to £800m by SBS and is set to run until April 2024.

Building's order book stands at £2,047m, compared to £1,920m last year including 31% in Education, 23% in Defence and Custodial, 18% in Facilities Management and 11% in Health.

INFRASTRUCTURE

Infrastructure carries out civil engineering projects across the UK, focused on Highways and Environment (incorporating our activities in water, wastewater and flood alleviation).

	2022	2021
Revenue (£m)	**441.9**	329.2
Operating profit before amortisation (£m)	**10.8**	6.0
Operating profit margin (%)	**2.4**	1.8
Order book (£m)	**1,396**	1,348

Infrastructure's revenue was £441.9m (2021: £329.2m). As expected, revenue increased due to the higher level of activity from the AMP7 programme in the water sector. Additionally, the acquired water operations of nmcn plc (in administration) contributed £74.1m revenue in the year. Infrastructure generated an operating profit before amortisation of £10.8m (2021: £6.0m) which represents a margin of 2.4% (2021: 1.8%). The improved profit performance is in line with our expectations, and includes the benefit of new contract frameworks.

Following the acquisition of nmcn's water businesses, in October 2021, we have restructured our Environment business to provide enhanced service delivery across UK operations including water, engineering, off-site build and asset optimisation, and asset security. The acquisition has provided the Group with additional geographic scale and increased capabilities in the water sector, further supplemented by the acquisition of MCS Control Systems Limited in July 2022.

Infrastructure won contracts and positions on frameworks worth £466m (2021: £590m). These included:

- Appointment to the Procure Partnerships (PP) North West Framework valued at £1.8bn in the North West of England, in conjunction with the Building business.
- A share of the £3.5bn Scheme Delivery Framework for National Highways.

Infrastructure's current order book is £1,396m, compared to £1,348m last year, including £622m in Highways and £774m in Environment.

PPP INVESTMENTS

PPP Investments delivers major building and infrastructure projects through public-private partnerships, generating work for the wider Group in the process.

	2022	2021
Revenue (£m)	**6.2**	6.4
Loss from operations (£m)	**(0.9)**	(1.8)
Net interest income	**3.9**	3.9
Directors' valuation (£m)	**47.5**	49.1

PPP Investments has continued to move its focus towards co-development of Private Rented Sector (PRS) projects. During the year its first scheme, in Cardiff, obtained planning consent and the business is working towards reaching financial close with an operator which will allow construction to commence. At the year-end it was preferred bidder on two further PRS schemes with a gross development value of c£200m and anticipates further opportunities in the future.

At the year end, the directors' valuation of our PPP portfolio was £47.5m (2021: £49.1m), which is the fair value included in the balance sheet reflecting a blended discount rate of 7% (2021: 7%). The valuation compared with a value invested of £35.7m (2021: £36.2m). There is an active secondary market for these assets, which generated an annuity interest income of £3.9m (2021: £3.9m) and contributes to our balance sheet strength.

BOARD

On 15 March 2022 we announced that Peter Ventress will step down as Non-executive Chairman and leave the company with effect on 21 September 2022, after more than seven years on the Board. As previously announced, on Peter's departure, Alison Wood, Non-executive Director, will assume the role of Chair of the Board and Chair of the Nomination Committee. On 26 April 2022 we announced the appointment of Sally Boyle as a Non-executive Director. The Group intends that Sally will, following a period of 12 month’s transition, assume the role of Chair of the Remuneration Committee on the current Chair stepping down

Consolidated income statement

for the year ended 30 June 2022

	Notes	2022 Pre-Exceptional items £m	2022 Exceptional items (note 5) £m	2022 Total £m	2021 Total £m
Revenue	4	**1,237.2**	**-**	**1,237.2**	1,124.8
Cost of sales		**(1,151.5)**	**(5.8)**	**(1,157.3)**	(1,049.7)
Gross profit/(loss)		**85.7**	**(5.8)**	**79.9**	75.1
Administrative expenses		**(69.9)**	**(7.9)**	**(77.8)**	(67.1)
Operating profit/(loss)		**15.8**	**(13.7)**	**2.1**	8.0
Share of post tax profits from joint ventures		**0.4**	**-**	**0.4**	0.5
Finance income	6	**4.3**	**-**	**4.3**	4.1
Finance costs	6	**(1.4)**	**-**	**(1.4)**	(1.2)
Profit/(loss) before income tax		**19.1**	**(13.7)**	**5.4**	11.4
Income tax (expense)/credit	7	**(1.7)**	**2.6**	**0.9**	(1.0)
Profit/(loss) from continuing operations for the year		**17.4**	**(11.1)**	**6.3**	10.4
Loss from discontinued operations, net of income tax for the year		**-**	**-**	**-**	(2.7)
Profit/(loss) for the year		**17.4**	**(11.1)**	**6.3**	7.7
Earnings per share					
Basic					
> Profit from continuing operations attributable to ordinary shareholders	9	**16.0**		**5.8**	9.5p
> Profit attributable to ordinary shareholders	9	**16.0**		**5.8**	7.0p
Diluted					
> Profit from continuing operations attributable to ordinary shareholders	9	**15.0**		**5.5**	9.1p
> Profit attributable to ordinary shareholders	9	**15.0**		**5.5**	6.8p

There were no exceptional items in the prior year.

Consolidated statement of comprehensive income

for the year ended 30 June 2022

	Notes	**2022** **£m**	2021 £m
Profit for the year		**6.3**	7.7
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Movement in fair value of PPP and other investments – continuing operations	12	**(0.9)**	7.3
Total items that may be reclassified subsequently to profit or loss		**(0.9)**	7.3
Other comprehensive (expense)/income for the year net of tax		**(0.9)**	7.3
Total comprehensive income for the year		**5.4**	15.0

Balance sheet

	Notes	Group	
		30 June 2022 £m	30 June 2021(restated -note 24) £m
Assets			
Non-current assets			
Intangible assets	10	**8.8**	5.7
Goodwill	11	**88.2**	77.2
Property, plant and equipment		**7.1**	4.4
Right-of-use assets		**24.5**	19.5
Investments in joint ventures		**0.3**	0.2
PPP and other investments	12	**47.5**	49.1
Deferred income tax assets	18	**14.0**	14.3
Total non-current assets		**190.4**	170.4
Current assets			
Trade and other receivables	13	**243.0**	241.4
Current income tax assets		**3.1**	4.3
Cash and cash equivalents	14	**218.9**	216.2
Total current assets		**465.0**	461.9
Total assets		**655.4**	632.3
Liabilities			
Current liabilities			
Trade and other payables	15	**(471.1)**	(454.0)
Lease liabilities		**(9.9)**	(7.3)
Provisions for other liabilities and charges	16	**(27.4)**	(25.0)
Total current liabilities		**(508.4)**	(486.3)
Non-current liabilities			
Lease liabilities		**(14.9)**	(11.9)
Total non-current liabilities		**(14.9)**	(11.9)
Total liabilities		**(523.3)**	(498.2)
Net assets		**132.1**	134.1
Equity			
Ordinary shares		**55.5**	55.5
Other reserves	20	**132.2**	118.4
Retained earnings	20	**(55.6)**	(39.8)
Total equity attributable to owners of the Company		**132.1**	134.1

Consolidated statements of changes in equity

for the year ended 30 June 2022

	Notes	Ordinary shares £m	Share premium £m	Other reserves £m	Retained earnings £m	Total shareholders' equity £m
Consolidated statement						
At 30 June 2020		55.5	–	85.7	(20.7)	120.5
Profit for the year		–	–	–	7.7	7.7
Other comprehensive income		–	–	–	7.3	7.3
Total comprehensive income for the year		–	–	–	15.0	15.0
Transactions with owners:						
Dividends	8	–	–	–	(1.3)	(1.3)
Purchase of shares		–	–	–	(1.1)	(1.1)
Share-based payments – continuing operations		–	–	–	1.0	1.0
Recycling of retained earnings to merger reserve on reversal of impairment of investment in Galliford Try Limited	20	–	–	32.7	(32.7)	–
At 30 June 2021		**55.5**	**–**	**118.4**	**(39.8)**	**134.1**
Profit for the year		**–**	**–**	**–**	**6.3**	**6.3**
Other comprehensive income		**–**	**–**	**–**	**(0.9)**	**(0.9)**
Total comprehensive income for the year		**–**	**–**	**–**	**5.4**	**5.4**
Transactions with owners:						
Dividends	8	**–**	**–**	**–**	**(6.3)**	**(6.3)**
Purchase of shares		**–**	**–**	**–**	**(3.4)**	**(3.4)**
Share-based payments		**–**	**–**	**–**	**2.3**	**2.3**
Recycling of retained earnings to merger reserve on reversal of impairment of investment in Galliford Try Limited	20	**–**	**–**	**13.8**	**(13.8)**	**–**
At 30 June 2022		**55.5**	**–**	**132.2**	**(55.6)**	**132.1**

Statements of cash flows

for the year ended 30 June 2022

		Group	
	Notes	**2022 £m**	2021 (restated -note 24) £m
Cash flows from operating activities			
Profit for the year		**6.3**	7.7
Adjustments for:			
Loss for the year from discontinued operations		**-**	2.7
Income tax (credit)/expense – continuing operations	7	**(0.9)**	1.0
Net finance income – continuing operations	6	**(2.9)**	(2.9)
Profit before finance costs for continuing operations		**2.5**	8.5
Adjustments for continuing operations:			
Depreciation and amortisation		**14.5**	13.3
Share-based payments		**2.3**	1.0
Share of post-tax (profits)/losses from joint ventures		**(0.4)**	(0.5)
Net cash generated from operations before changes in working capital		**18.9**	22.3
decrease in trade and other receivables		**1.2**	15.8
Increase in trade and other payables		**6.7**	11.3
(Decrease)/increase in provisions		**(11.3)**	9.4
Net cash generated from operations		**15.5**	58.8
Interest received		**4.3**	4.1
Interest paid		**(1.4)**	(1.2)
Net surplus returned on wind up of defined benefit pension scheme		**-**	1.0
Income tax received		**4.4**	4.5

Net cash generated from operating activities from continuing operations		**22.8**	67.2
Net cash used in operating activities from discontinued operations		**-**	(3.6)
Net cash generated from operating activities		**22.8**	63.6
Cash flows from investing activities			
Dividends received from joint ventures and associates		**0.3**	0.5
Increase in amounts due from joint ventures		**-**	(5.2)
Decrease in amounts due from joint ventures		**5.0**	-
Acquisition of PPP and other investments		**-**	(1.9)
Proceeds from disposal of PPP and other investments and loan repayments		**0.7**	0.7
Acquisition of business combinations, net of cash acquired		**(0.3)**	-
Dividends received from subsidiary undertakings		**–**	–
Proceeds from disposal of property, plant and equipment		**0.1**	-
Acquisition of property, plant and equipment		**(5.0)**	(2.1)
Net cash generated from/(used in) investing activities from continuing operations		**0.8**	(8.0)
Net cash (used in) from investing activities from discontinued operations		**-**	(23.7)
Net cash generated from/(used in) investing activities		**0.8**	(31.7)
Cash flows from financing activities			
Repayment of lease liabilities		**(11.2)**	(10.5)
Purchase of own shares		**(3.4)**	(1.1)
Dividends paid to Company shareholders	8	**(6.3)**	(1.3)
Net cash used in financing activities from continuing operations		**(20.9)**	(12.9)
Net cash used in financing activities from discontinued operations		**–**	–
Net cash used in financing activities		**(20.9)**	(12.9)
Net increase in cash and cash equivalents		**2.7**	19.0
Cash and cash equivalents at 1 July	14	**216.2**	197.2
Cash and cash equivalents at 30 June	14	**218.9**	216.2

Notes to the consolidated financial statements

1 Basis of preparation

The financial information set out in this preliminary announcement does not constitute Galliford Try Holdings plc's statutory accounts for the years ended 30 June 2022 and 31 June 2021. Statutory accounts for the year ended 30 June 2022 will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The Auditor has reported on those accounts; their report was unqualified, did not draw attention by way of emphasis, and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006. Statutory accounts for the year ended 30 June 2021 have been delivered to the Registrar of Companies. The Auditor has reported on those accounts; their report was unqualified, did not draw attention by way of emphasis, and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

Galliford Try Holdings plc (the Company) is a public limited company incorporated, listed and domiciled in the UK, and registered under the laws of England and Wales. The address of the registered office is 3 Frayswater Place, Cowley, Uxbridge, UB8 2AD. The Company has its listing on the London Stock Exchange.

The financial information contained in this results announcement has been prepared on the basis of the accounting policies set out in the statutory statements for the year ended 30 June 2022. Whilst the financial information included in this announcement has been computed in accordance with the recognition and measurement requirements of UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006, this announcement does not itself contain sufficient disclosures to comply with IFRS.

2 Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2021.

3 Segmental reporting

Segmental reporting is presented in the consolidated financial statements in respect of the Group's business segments, which are the primary basis of segmental reporting. The business segmental reporting reflects the Group's management and internal reporting structure. Segmental results include items directly attributable to the segment, as well as those that can be allocated on a reasonable basis. As the Group has no material activities outside the UK, segment reporting is not required by geographical region.

The Chief Operating Decision-Makers (CODM) have been identified as the Group's Chief Executive and Finance Director. The CODM review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments of the Group to be Building, Infrastructure, PPP Investments and Central (primarily representing central overheads).

The CODM assess the performance of the operating segments based on a measure of adjusted earnings before finance costs, amortisation, exceptional items and taxation. This measurement basis excludes the effects of non-recurring expenditure from the operating segments, such as restructuring costs and impairments when the impairment is the result of an isolated, non-recurring event. Interest income and expenditure are included in the result for each operating segment that is reviewed by the CODM. Other information provided to them is measured in a manner consistent with that in the financial statements.

Income statement

Year ended 30 June 2022	Building £m	Infrastructure £m	PPP Investments £m	Central £m	Total £m
Revenue	**789.1**	**441.9**	**6.2**	**-**	**1,237.2**
Pre-exceptional operating profit/(loss) before amortisation of intangible assets	**18.9**	**10.8**	**(0.9)**	**(10.3)**	**18.5**
Share of post tax profits from joint ventures	**-**	**-**	**0.4**	**-**	**0.4**
Finance income	**-**	**-**	**3.9**	**0.4**	**4.3**
Finance costs	**(0.3)**	**(0.7)**	**-**	**(0.4)**	**(1.4)**
Pre-exceptional profit/(loss) before amortisation and taxation	**18.6**	**10.1**	**3.4**	**(10.3)**	**21.8**
Exceptional items	**-**	**(7.7)**	**-**	**(6.0)**	**(13.7)**
Amortisation of intangible assets	**(1.0)**	**(0.7)**	**-**	**(1.0)**	**(2.7)**
Profit/(loss) before taxation	**17.6**	**1.7**	**3.4**	**(17.3)**	**5.4**
Income tax credit					**0.9**
Profit for the year					**6.3**

Year ended 30 June 2021	Building £m	Infrastructure £m	PPP Investments £m	Central £m	Total £m
Revenue	789.2	329.2	6.4	–	1,124.8
Operating (loss)/profit before amortisation and taxation	15.9	6.0	(1.8)	(10.0)	10.1
Share of post tax profits from joint ventures	–	–	0.5	–	0.5
Finance income	–	0.1	3.9	0.1	4.1
Finance costs	(0.3)	(0.6)	–	(0.3)	(1.2)
Profit/(loss) before amortisation and taxation	15.6	5.5	2.6	(10.2)	13.5
Amortisation of intangible assets	(1.0)	–	–	(1.1)	(2.1)

Profit/(loss) before taxation	14.6	5.5	2.6	(11.3)	11.4
Income tax expense					(1.0)
Profit for the year					10.4

Inter-segment revenue is eliminated from revenue above. In the year to 30 June 2022, this amounted to £38.8m (2021: £39.4m) for continuing operations, of which £nil (2021: £nil) was in Building, £21.7m (2021: £24.7m) was in Infrastructure and £17.1m (2021: £14.7m) was in central costs.

Balance sheet

30 June 2022	Notes	Building £m	Infrastructure £m	PPP Investments £m	Central £m	Total £m
Goodwill and intangible assets		**42.0**	**53.3**	**-**	**1.7**	**97.0**
Working capital employed		**(92.8)**	**(139.5)**	**41.9**	**6.6**	**(183.8)**
Net cash	14	**154.9**	**(1.4)**	**(9.6)**	**75.0**	**218.9**
Net assets		**104.1**	**(87.6)**	**32.3**	**83.3**	**132.1**
Total Group liabilities						**(523.3)**
Total Group assets						**655.4**

30 June 2021	Notes	Building £m	Infrastructure £m	PPP Investments £m	Central £m	Total £m
Goodwill and intangible assets		42.9	37.2	–	2.8	82.9
Working capital employed		(82.3)	(132.0)	40.0	9.3	(165.0)
Net cash	14	87.0	44.6	(10.0)	94.6	216.2
Net assets		47.6	(50.2)	30.0	106.7	134.1
Total Group liabilities (restated – note 24)						(498.2)
Total Group assets (restated – note 24)						632.3

4 Revenue

Nature of revenue streams

(i) Building and Infrastructure segments

Our Construction business operates nationwide, working with clients predominantly in the public and regulated sectors, such as health, education and defence markets within the Building segment and road, and water markets within the Infrastructure segment (as well as private commercial clients). Projects include the construction of assets (with services including design and build, construction only and refurbishment) in addition to the maintenance, renewal, upgrading and managing of services across utility and infrastructure assets.

Revenue stream	Nature, timing of satisfaction of performance obligations and significant payment terms
Fixed price	A number of projects within these segments are undertaken using fixed-price contracts. Contracts are typically accounted for as a single performance obligation. Even when a contract (or multiple combined contracts) includes both design and build elements, they are considered to form a single performance obligation as the two elements are not distinct in the context of the contract, given that each is highly dependent on the other. The Group typically receives payments from the customer based on a contractual schedule of value that reflects the timing and performance of service delivery. Revenue is therefore recognised over time (the period of construction) based on an input model (reference to costs incurred to date). Un-invoiced amounts are presented as contract assets. Management does not expect a financing component to exist.
Cost-reimbursable	A number of projects within these segments are undertaken using open-book/cost-reimbursable (possibly with a pain/gain share mechanism) contracts. Contracts are typically accounted for as a single performance obligation, with the majority of these contracts including a build phase only. The Group typically receives payments from the customer based on actual costs incurred. Revenue is therefore recognised over time (the period of construction) based on an input model (reference to costs incurred to date). Un-invoiced amounts are presented as contract assets. Management does not expect a financing component to exist.
Facilities management*	Contracts undertaken within the Building segment that provide full life-cycle solutions to clients, are accounted for as a single performance obligation, with revenue recognised over time and typically on a straight-line basis.

* Facilities management represents around 5% of the total Building segment turnover.

(ii) Investments segment

Our Investments business specialises in managing construction through to operations for major building projects through public private partnerships and co-development opportunities. The business leads bid consortia and arranges finance, as well as making debt and equity investments (which are recycled).

Revenue stream	Nature, timing of satisfaction of performance obligations and significant payment terms
PPP Investments	The Group has investments in a number of PPP Special Purpose Vehicles (SPVs), delivering major building and infrastructure projects. The business additionally provides management services to the SPVs under Management Service Agreements (MSA). Revenue for these services is typically recognised over time as and when the service is delivered to the customer. Revenue for reaching project financial close (such as success fees) is recognised at a point in time, at financial close (when control is deemed to pass to the customer).

Disaggregation of revenue

The Group considers the split of revenue by operating segment to be the most appropriate disaggregation. All revenue has been derived from performance obligations settled over time.

Revenue on existing contracts, where performance obligations are unsatisfied or partially unsatisfied at the balance sheet date, is expected to be recognised as follows:

Revenue – year ended 30 June 2022	2023 £m	2024 £m	2025 onwards £m	Total £m
Building	**526.4**	**111.6**	**33.2**	**671.2**
Infrastructure	**295.2**	**134.5**	**142.4**	**572.1**
Total Construction	**821.6**	**246.1**	**175.6**	**1,243.3**

	2022	2023	2024 onwards	Total
PPP Investments	**2.8**	**2.7**	**25.7**	**31.2**
Total transaction price allocated to performance obligations yet to be satisfied	**824.4**	**248.8**	**201.3**	**1,274.5**

Revenue – year ended 30 June 2021	2022 £m	2023 £m	2024 onwards £m	Total £m
Building	550.5	117.1	4.7	672.3
Infrastructure	239.3	72.8	14.4	326.5
Total Construction	789.8	189.9	19.1	998.8
PPP Investments	1.8	1.8	24.4	28.0
Total transaction price allocated to performance obligations yet to be satisfied	791.6	191.7	43.5	1,026.8

Any element of variable consideration is estimated at a value that is highly probable not to result in a significant reversal in the cumulative revenue recognised.

5 Exceptional items

	2022 £m	2021 £m
Acquisition and integration related costs[1] - cost of sales	**5.8**	–
Acquisition and integration related costs[1] - administrative expenses	**1.9**	–
Implementation costs of cloud based arrangements[2] - administrative expenses	**6.0**	–
Total	**13.7**	–

There were no exceptional items in the prior year. The items in respect of the current year are as follows:

1 The Group acquired the Water business of nmcn plc (in administration) on 7 October 2021 and incurred acquisition and integration related costs of £7.7m. This is predominantly made up of legal and professional fees, integration and restructuring costs recognised in administrative expenses, and specific staff costs incurred during the period of site closures following nmcn plc entering administration that are recognised in cost of sales.

2 The Group incurred £6.0m of customisation and configuration costs associated with the move to Oracle Fusion, a cloud-based computing arrangement, during the period. Taking into account the IFRIC Agenda Decision issued by the IFRS IC in March 2021, the Group has analysed the costs and concluded that these costs should be expensed in the period. In accordance with the Group's existing accounting policy, management considers that the costs should be separately disclosed as exceptional because they are significant and irregular.

An associated tax credit of £2.6m has been recognised.

6 Net finance income

Group	2022 £m	2021 £m
Interest receivable on bank deposits	**0.4**	0.1
Interest receivable from PPP Investments and joint ventures	**3.9**	3.9
Other interest receivable	**-**	0.1
Finance income	**4.3**	4.1
Other (including interest on lease liabilities)	**(1.4)**	(1.2)
Finance costs	**(1.4)**	(1.2)
Net finance income	**2.9**	2.9

7 Income tax charge

Group	Notes	2022 £m	2021 £m
Analysis of expense in year			
Current year's income tax			
Current tax		**(1.6)**	0.5
Deferred tax[1]	18	**0.5**	5.0
Adjustments in respect of prior years			
Current tax		**0.8**	(4.8)
Deferred tax	18	**(0.6)**	0.3
Income tax (credit)/expense		**(0.9)**	1.0
Tax on items recognised in other comprehensive income			
Tax recognised in other comprehensive income		**–**	–
Total taxation		**(0.9)**	1.0

1 Includes impact of change in rate of tax.

The total income tax credit for the year of £0.9m (2021: £1.0m) is lower (2021: lower) than the blended standard rate of corporation tax in the UK of 19.0% (2021: 19.0%). The differences are explained below:

	2022 £m	2021 £m
Profit before income tax	**5.4**	11.4
Profit before income tax multiplied by the blended standard corporation tax rate in the UK of 19.0% (2021: 19.0%)	**1.0**	2.2
Effects of:		
Expenses not deductible for tax purposes	**0.4**	0.7
Non-taxable income	**(0.1)**	(1.1)
Adjustments in respect of prior years[1]	**0.2**	(4.5)
Change in tax rates	**(0.4)**	(2.1)
Net (recognition and utilisation)/restriction of tax losses[2]	**(2.1)**	5.8
Other	**0.1**	-
Income tax (credit)/charge	**(0.9)**	1.0

1 The adjustments in respect of prior years' £0.2m (2021: £(4.5)m) reflect changes to the estimates made in the previous years' Annual Report and Accounts and the finalised tax computations submitted to HMRC. The June 2021 adjustment of £(4.5)m incorporates, and principally relates to, the finalisation of certain tax estimates made following the demerger of the Group's housebuilding divisions in January 2020.

2 The net recognition and utilisation of tax losses of £2.1m (2021: restriction £5.8m) reflects the utilisation of £nil (2021: £1.5m) tax losses in the year and the recognition of £2.1m (2021: restriction of £7.3m) tax losses in line with the Group's accounting policy (note 18).

The restriction of tax losses in 2021 resulted from changes to the estimated tax relief on historic loss-making contracts. The Group had assumed a level of recovery on these contracts in prior years and paid the associated corporation tax. On finalisation of the contracts, an overall loss was made, and the Group sought to recover the associated corporation tax in the form of a refund (as at 30 June 2020), and subsequently in the form of tax losses (as at 30 June 2021) restricted in accordance with the Group's accounting policy.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023, the corporation tax rate would increase from 19% to 25%. This new law was substantively enacted in the Finance Bill 2021 and received Royal Assent on 10 June 2021. Where appropriate, deferred taxes at the balance sheet date have been measured using the appropriate tax rates (based on when the underlying balance is expected to crystallise) and reflected in these financial statements.

The Group has assessed that a deferred tax asset equal to the value of unutilised tax credits expected to be utilised over the next three financial years is appropriate, as, based on the already secured work for that timeframe, management have assessed it is probable that the Group will have sufficient taxable profits to enable the deferred tax asset to be recovered. Any remaining unutilised tax credits have not been recognised (note 18).

8 Dividends

Group and Company	2022 £m	2022 pence per share	2021 £m	2021 pence per share
Previous year final	**3.9**	**3.5**	–	–
Current year interim	**2.4**	**2.2**	1.3	1.2
Dividend recognised in the year	**6.3**	**5.7**	1.3	1.2

The following dividends were declared by the Company in respect of each accounting period presented:

	2022 £m	2022 pence per share	2021 £m	2021 pence per share
Interim	**2.4**	**2.2**	1.3	1.2
Final	**6.4**	**5.8**	3.9	3.5
Dividend relating to the year	**8.8**	**8.0**	5.2	4.7

The directors are proposing a final dividend in respect of the financial year ended 30 June 2022 of 5.8 pence per share (2021: 3.5 pence per share), bringing the total dividend in respect of 2022 to 8.0 pence per share (2021: 4.7p pence per share). The final dividend will absorb approximately £6.4m of equity. Subject to shareholders' approval at the AGM to be held on 11 November 2022, the dividend will be paid on 9 December 2022 to shareholders who are on the register of members at the close of business on 11 November 2022.

9 Earnings per share

Basic and diluted earnings/(losses) per share (EPS)

Basic EPS is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding those held by the Trust, which are treated as cancelled.

Under normal circumstances, the average number of shares is diluted by reference to the average number of potential ordinary shares held under option in the year. The dilutive effect amounts to the number of ordinary shares which would be purchased using the aggregate difference in value between the market value of shares and the share option price. Only shares that have met their cumulative performance criteria are included in the dilution calculation. The Group has two classes of potentially dilutive ordinary shares: those share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year and the contingently issuable shares under the Group's long-term incentive plans. A loss per share cannot be reduced through dilution, hence this dilution is only applied where the Group has reported a profit.

The earnings and weighted average number of shares used in the calculations are set out below.

	2022 Earnings £m	2022 Weighted average number of shares	2022 Per share amount pence	2021 Earnings £m	2021 Weighted average number of shares	2021 Per share amount pence
Continuing operations						
Basic EPS – pre-exceptional						
Earnings attributable to ordinary shareholders pre-exceptional items	**17.4**	**109,016,667**	**16.0**	10.4	109,976,145	9.5
Basic EPS						
Earnings attributable to ordinary shareholders post-exceptional items	**6.3**	**109,016,667**	**5.8**	10.4	109,976,145	9.5
Effect of dilutive securities:						
Options	**n/a**	**6,627,132**	**n/a**	n/a	3,804,698	n/a
Diluted EPS – pre-exceptional	**17.4**	**115,643,799**	**15.0**	10.4	113,780,843	9.1
Diluted EPS	**6.3**	**115,643,799**	**5.5**	10.4	113,780,843	9.1
Total operations						
Basic EPS – pre-exceptional						
Earnings attributable to ordinary shareholders pre-exceptional items	**17.4**	**109,016,667**	**16.0**	7.7	109,976,145	7.0
Basic EPS						
Earnings attributable to ordinary shareholders post-exceptional items	**6.3**	**109,016,667**	**5.8**	7.7	109,976,145	7.0
Effect of dilutive securities:						
Options	**n/a**	**6,627,132**	**n/a**	n/a	3,804,698	n/a
Diluted EPS – pre-exceptional	**17.4**	**115,643,799**	**15.0**	7.7	113,780,843	6.8
Diluted EPS	**6.3**	**115,643,799**	**5.5**	7.7	113,780,843	6.8

The discontinued operations earnings per share for the year was nil (2021: loss per share of 2.5 pence per share) and the discontinued operations diluted earnings per share for the year was nil (2021: loss per share of 2.3p).

10 Intangible assets

Group	Notes	Customer contracts and relationships £m	Computer software £m	Total £m
Cost				
At 1 July 2020 and 30 June 2021		12.2	10.9	23.1
Additions	**22**	**5.2**	**0.6**	**5.8**
At 30 June 2022		**17.4**	**11.5**	**28.9**
Accumulated amortisation				
At 1 July 2020		(8.2)	(7.1)	(15.3)
Amortisation in year		(1.0)	(1.1)	(2.1)
At 1 July 2021		(9.2)	(8.2)	(17.4)
Amortisation in year		**(1.5)**	**(1.2)**	**(2.7)**
At 30 June 2022		**(10.7)**	**(9.4)**	**(20.1)**
Net book amount				
At 30 June 2022		**6.7**	**2.1**	**8.8**
At 30 June 2021		3.0	2.7	5.7
At 30 June 2020		4.0	3.8	7.8

11 Goodwill

Group	Notes	£m
Cost		
At 30 June 2020 and 30 June 2021		77.2
Additions	22	11.0
Disposal		-
At 30 June 2022		**88.2**
Aggregate impairment at 30 June 2020 and 30 June 2021		–
At 30 June 2020 and 30 June 2022		**–**
Net book amount		
At 30 June 2022		**88.2**
At 30 June 2021		77.2
At 30 June 2020		77.2

Goodwill is allocated to the Group's CGUs identified according to business segment. The goodwill is attributable to the following business segments:

	2022 £m	2021 £m
Building	**40.0**	40.0
Infrastructure	**48.2**	37.2
	88.2	77.2

Impairment review of goodwill and key assumptions
Goodwill is tested for impairment at least annually. The recoverable amount of a CGU is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on future financial budgets approved by the Board, based on past performance and its expectation of market developments. The key assumptions within these budgets relate to revenue and the future profit margin achievable, in line with our strategy and targets as set out in the Strategic report. Future budgeted revenue is based on management's knowledge of actual results from prior years and latest forecasts for the current year, along with the existing secured works and management's expectation of the future level of work available within the market sector. In establishing future profit margins, the margins currently being achieved are considered in conjunction with expected inflation rates in each revenue and cost category. In Building and Infrastructure, the margins currently being achieved are expected to increase in line with the strategy set out in the Strategic report within the Annual Report for the year ended 30 June 2022.

12 PPP and other investments

Group	2022 £m	2021 £m
At 1 July	**49.1**	40.7
Additions	**-**	1.9
Disposals and subordinated loan repayments	**(0.7)**	(1.0)
Movement in fair value	**(0.9)**	7.5
At 30 June	**47.5**	49.1

These comprise PPP/PFI investments and investments in other listed securities.

Of the total fair value movement in the year of £0.9m, all of it relates to the movement in the fair value of the PPP investments (2021: total of £7.5m, of which £7.3m relates to PPP investments and has been recorded in equity whilst £0.2m relates to the residual Vistry Group plc shares held and has been recorded in the income statement). The expected credit loss (ECL) was assessed to be minimal and accordingly no ECL recognised.

13 Trade and other receivables

	Notes	Group 2022 £m	Group 2021 (restated – note 24) £m
Amounts falling due within one year:			
Trade receivables		**46.0**	48.5
Less: provision for impairment of receivables		**(0.1)**	(0.1)
Trade receivables – net		**45.9**	48.4
Contract assets[1]	17	**173.4**	156.0
Amounts due from joint ventures		**1.1**	6.1
Research and development expenditure credits		**4.5**	4.5
Other receivables		**4.7**	12.8
Prepayments		**13.4**	13.6
		243.0	241.4

[1] Contract assets of £173.4m at 30 June 2022 (2021: £156.0m) is stated net of a life-time expected credit loss allowance of £14.0m (2021: £14.0m).

14 Cash and cash equivalents

	Group 2022 £m	Group 2021 £m
Cash at bank and in hand and per the statement of cash flows	**218.9**	216.2

Cash at bank above includes £22.7m (2021: £16.9m), being the Group's share of cash held by jointly controlled operations. The effective interest rate received on cash balances is 0.3% (2021: 0.1%). The Group has no bank borrowings or loans.

Net cash excludes IFRS 16 lease liabilities.

15 Trade and other payables

	Notes	Group 2022 £m	Group 2021 (restated – note 24) £m
Trade payables		**102.3**	90.9
Contract liabilities	17	**104.4**	92.7
Other taxation and social security payable		**29.9**	30.5
Other payables		**1.6**	1.2
Accruals		**232.9**	238.7
		471.1	454.0

16 Provisions for other liabilities and charges

Group	Discontinued operations	Onerous contracts	Rectification	Total £m
At 1 July 2020 (as previously reported)	**(24.0)**	**-**	**-**	**(24.0)**
At 1 July 2020 (restated)[1]	**(24.0)**	**(1.0)**	**(14.3)**	**(39.3)**
Utilised	**24.0**	**1.0**	**3.1**	**28.1**
Additions	**-**	**(0.8)**	**(13.0)**	**(13.8)**
At 30 June 2021 (restated)[1]	**-**	**(0.8)**	**(24.2)**	**(25.0)**
Utilised	**-**	**10.2**	**3.7**	**13.9**
Additions[2]	**-**	**(14.0)**	**(2.3)**	**(16.3)**
At 30 June 2022	**-**	**(4.6)**	**(22.8)**	**(27.4)**

[1]The provisions balance has been restated, reflecting a reclassification between accruals and provisions of £25.0m as at 30 June 2021 (1 July 2020: £15.3m), with no impact to any other balance reported at the balance sheet date. Onerous contract and rectification provisions were previously reported within accruals but should have been presented as provisions.

[2] Additions include £13.7m acquired as part of business combinations.

Onerous contract provisions are made on loss-making contracts the Group is obliged to complete.

Rectification provisions are made for potential claims and defects for remedial works against work completed by the Group.

The discontinued operations resulted from the working capital adjustment agreed in respect of the disposal of the housebuilding divisions. This was fully settled in the year to 30 June 2021.

17 Contract balances

Contract assets and liabilities are included within "trade and other receivables" and "trade and other payables" respectively on the face of the balance sheet. Where there is a corresponding contract asset and liability in relation to the same contract, the balance shown is the net position. The timing of work performed (and thus revenue recognised), billing profiles and cash collection results in trade receivables (amounts billed to date and unpaid), contract assets (unbilled amounts where revenue has been recognised) and customer advances and deposits (contract liabilities), where no corresponding work has yet to be performed, being recognised on the Group's balance sheet.

The reconciliation of the Group opening to closing contract balances is shown below:

	2022		2021 (restated – note 24)	
	Contract asset £m	**Contract liability £m**	Contract asset £m	Contract liability £m
At 30 June 2021	**156.0**	**(92.7)**	172.0	(112.3)
Revenue recognised in the year (continuing operations)	**1,183.2**	**54.0**	1,073.5	51.3
Net cash received in advance of performance obligations being fully satisfied[1]	**–**	**(65.7)**	–	(31.7)
Transfers in the year from contract assets to trade receivables[2]	**(1,165.8)**	**–**	(1,089.5)	–
30 June 2022	**173.4**	**(104.4)**	156.0	(92.7)

[1] Net cash received in advance of performance obligations being fully satisfied was previously reported as £(38.1)m in the prior period.

[2] Transfers in the year from contract assets to trade receivables was previously reported as £(1,086.4)m in the prior period.

18 Deferred income tax

Deferred income tax is calculated in full on temporary differences under the liability method and is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities. The net deferred tax position at 30 June was:

	Group	
	2022 £m	2021 £m
Deferred income tax assets – non-current	**15.6**	15.0
Deferred income tax assets	**15.6**	15.0
Deferred income tax liabilities – non-current	**(1.6)**	(0.7)
Deferred income tax liabilities	**(1.6)**	(0.7)
Net deferred income tax	**14.0**	14.3

The movement for the year in the net deferred income tax account is as shown below:

	Group	
	2022 £m	2021 £m
At 1 July	**14.3**	4.3
Current year's deferred income tax	**(0.9)**	(8.9)
Adjustment in respect of prior years	**0.6**	(0.3)
Transfer from current tax assets and change in rates of deferred income tax[1]	**0.3**	19.2
Acquisition of subsidiaries	**(0.3)**	–
At 30 June	**14.0**	14.3

[1] The Group had previously recorded a deferred tax asset in respect of unutilised tax credits resulting from historic trading contract losses. This asset was initially recorded within current tax assets and was transferred during the previous year. The Group has assessed that an asset equal to the value of unutilised tax credits expected to be utilised over the next three financial years is appropriate, as, based on the already secured work for that timeframe and the approved Group budgets, management have assessed it is probable that the Group will have sufficient taxable profits to enable the deferred tax asset to be recovered. These losses can be carried forward indefinitely and have no expiry date.

Any remaining unutilised tax credits have not been recognised and the Group has approximately £53m (2021: £95m) of unrecognised trading losses, although these are subject to agreement with HMRC.

19 Share-based payments

The Group operates performance-related share incentive plans for Executives, details of which are set out in the Directors' Remuneration report. The Group also operates sharesave schemes. The total charge for the year relating to employee share-based payment plans was £2.3m (2021: £1.0m), all of which related to equity-settled share-based payment transactions. After deferred tax, the total charge was £2.1m (2021: £1.0m).

20 Other reserves and retained earnings

Group	Notes	Other reserves £m	Retained earnings £m
At 30 June 2020		85.7	(20.7)
Profit for the year		–	7.7
Dividends paid	8	–	(1.3)
Share-based payments	19	–	1.0
Movement in fair value of PPP and other investments	12	–	7.3
Purchase of own shares		–	(1.1)
Reversal of impairment of investment in Galliford Try Limited and associated recycling of retained earnings to merger reserve		32.7	(32.7)
At 30 June 2021		118.4	(39.8)
Profit for the year		**–**	**6.3**
Dividends paid	8	**–**	**(6.3)**
Share-based payments	19	**–**	**2.3**
Movement in fair value of PPP and other investments	12	**–**	**(0.9)**
Purchase of own shares		**–**	**(3.4)**
Reversal of impairment of investment in Galliford Try Limited and associated recycling of retained earnings to merger reserve		**13.8**	**(13.8)**
At 30 June 2022		**132.2**	**(55.6)**

The Group's other reserves relates to a merger reserve amounting to £132.2m (2021: £118.4m). The carrying value of investments in subsidiaries was reviewed in the parent company and a partial reversal of £13.8m (2021: £32.7m) was recorded.

21 Guarantees and contingent liabilities

Galliford Try Holdings plc has entered into financial guarantees and counter indemnities in respect of bank and performance bonds issued in the normal course of business on behalf of Group undertakings, amounting to £127.1m (2021: £146.8m).

22 Business combinations

On 7 October 2021, the Group acquired the water business of nmcn plc (which had been placed into administration) for £1.0m settled in cash. This expanded the Group's geographical presence on key frameworks across the UK, and its capabilities in the water sector, in line with the Group's strategy.

The acquisition comprised of significantly all of the water business contracts and orderbook and the entire share capital and control of Lintott Environmental Technologies Limited and its trading subsidiary Lintott Control Systems Limited. nmcn Water delivers water and wastewater projects for clients across the UK, including design and MEICA capabilities which will further allow growth across our Environment business.

The goodwill of £11.0m arising from the acquisition is significantly attributable to the acquired workforce, consisting of 967 employees. None of the goodwill recognised is expected to be deductible for income tax purposes.

The following table summarises the consideration paid and the provisional fair value of the assets acquired and liabilities assumed (which are deemed to represent one cash generating unit).

	£m
Recognised amounts of identifiable assets acquired and liabilities assumed	
Net cash and cash equivalents	0.7
Property plant and equipment	0.1
Intangible assets[1]	5.8
Right-of-use assets	1.4
Trade and other receivables[2,5]	7.8
Trade and other payables[3,5]	(10.4)
Provisions and other liabilities[4]	(13.7)
Lease liabilities	(1.4)
Net deferred tax liabilities[6]	(0.3)
Total identifiable net liabilities	**(10.0)**
Goodwill	11.0
Total	**1.0**

Consideration	
Cash	1.0
Total	**1.0**

1 Intangible assets of £5.8m comprise customer relationships and contracts (£5.2m) and technology (£0.6m) that will be amortised over 3 -10 years,

2 Trade and other receivables include £4.4m relating to favourable contracts acquired.

3 Trade and other payables include £6.4m relating to unfavourable contracts acquired.

4 Provisions and other liabilities relate to onerous contracts.

5 The favourable and unfavourable contracts have been valued after assessing the margins in the underlying contracts novated.

6 Deferred tax has been recognised where temporary differences arise on the fair value adjustments.

The acquisition contributed £74.1m of revenue and £1.8m of pre-exceptional profit before tax and amortisation (on the acquired intangibles) in the period to 30 June 2022. The performance of the business preceding the acquisition was impacted by nmcn plc entering administration, and accordingly it is impracticable to assess the contribution it would have made to the Group if acquired at the start of reporting period.

Acquisition related costs of £7.7m include legal and professional fees, integration, and staff costs, have been treated as exceptional, being material and non-recurring/irregular items in accordance with our accounting policies and detailed further in note 5.

23 Post balance sheet events

On 8 July, the Group acquired 100% of the share capital of MCS Controls Systems Limited ("MCS"), a leading systems integrator to the industrial and utilities sectors for a consideration of £1 settled in cash.

The addition of MCS's capabilities is complementary to the operations of Galliford Try's expanding Environment business. In particular, MCS provides additional competencies that complement those acquired in October 2021 with nmcn's water business and Lintott Control Systems and will accelerate the growth of Galliford Try Environment's asset optimisation and capital maintenance strategy.

For the year ended 31 December 2020, being the last year for which MCS has published audited results, MCS generated revenue of £10.1 million, incurred a pre-tax loss of £0.5 million and had net assets of £2.0 million. In addition to the purchase consideration of £1, Galliford Try expects to fund certain contractual liabilities incurred prior to the completion date of the acquisition to strengthen MCS's balance sheet and provide additional operational stability. As the acquisition was made after the reporting date, it has made no contribution to Group results for the year ended 30 June 2022.

The provisional Balance Sheet at the date of acquisition is shown below.

	£
Property, plant and equipment	0.3
Trade and other receivables	2,8
Trade and other payables	(3,6)
Borrowings	(1,2)
Deferred tax liabilities	(0.5)
Net liabilities acquired	**(2.2)**

At the date of this report, it is impracticable to disclose the provisional fair values of the acquired assets, liabilities, contingent liabilities and goodwill, including those expected to be deductible for tax purposes as the initial accounting for the business combination is not complete.

24 Prior year adjustments

The Group has identified the need to make a correction to the 2021 and 2020 balance sheets.

i) The balance sheet at 30 June 2021 has been restated due to the incorrect presentation of trade receivables, contract assets and contract liabilities in relation to one combined contract. At 30 June 2021, no trade receivable should have been recognised as there was not an unconditional right to payment, the amount should have instead been recognised as a contract asset. Additionally, the contract position across different performance obligations within the combined contract should have been presented as one net balance whereas it was previously presented on a gross basis.

ii) The provisions and accruals balances have been restated, reflecting a reclassification between the two line items. Onerous contract and rectification provisions were previously reported within accruals, but should have been presented as provisions. See note 20 for additional information on provisions.

iii) Other receivables and current income tax assets have been restated reflecting a reclassification of research and development expenditure credits from current income tax assets to other receivables.

To correct the presentation of these balances in the prior year, the Group has restated the balance sheet and associated note disclosures as at 30 June 2021 and statement of cash flows for the year then ended as outlined below.

There is no overall effect of the restatements on net assets at 30 June 2021 nor profit for the year then ending.

Balance Sheet

					Group
	2021 originally reported £m	Adjustment i)	Adjustment **ii)**	Adjustment **iii)**	2021 restated £m
Assets					
Non-current assets					
Intangible assets	5.7	-	-	-	5.7
Goodwill	77.2	-	-	-	77.2
Property, plant and equipment	4.4	-	-	-	4.4
Right-of-use assets	19.5	-	-	-	19.5
Investments in subsidiaries	–	-	-	-	–
Investments in joint ventures	0.2	-	-	-	0.2
PPP and other investments	49.1	-	-	-	49.1
Deferred income tax assets	14.3	-	-	-	14.3
Total non-current assets	170.4	-	-	-	170.4
Current assets					
Trade and other receivables	243.3	(6.4)	-	4.5	241.4
Current income tax assets	8.8	-	-	(4.5)	4.3
Cash and cash equivalents	216.2	-	-	-	216.2
Total current assets	468.3	(6.4)	-	-	461.9
Total assets	638.7	(6.4)	-	-	632.3
Liabilities					
Current liabilities					

Trade and other payables	(485.4)	6.4	25.0	-	(454.0)
Lease liabilities	(7.3)	-	-	-	(7.3)
Provisions for other liabilities and charges	-	-	(25.0)	-	(25.0)
Total current liabilities	(492.7)	6.4	-	-	(486.3)
Non-current liabilities					
Lease liabilities	(11.9)	-	-	-	(11.9)
Total non-current liabilities	(11.9)	-	-	-	(11.9)
Total liabilities	(504.6)	6.4	-	-	(498.2)
Net assets	134.1	-	-	-	134.1
Equity					
Ordinary shares	55.5	-	-	-	55.5
Other reserves	118.4	-	-	-	118.4
Retained earnings	(39.8)	-	-	-	(39.8)
Total equity attributable to owners of the Company	134.1	-	-	-	134.1

The only material impact on the 30 June 2020 balance sheet is a reclassification to increase other receivables by £4.5m, reduce current income tax assets by £4.5m, increase provisions for other liabilities and charges by £15.3m and reduce accruals by £15.3m. There is no impact on net assets or reserves.

Statements of cash flows

As a result of the restatements to the balance sheet, the following working capital movements have also been restated, with no other impact to the statement of cash flows.

	Group					
	2021 originally reported £m	Adjustment **i)**	Adjustment **ii)**	Adjustment **iii)**	Impact of 30 June 2020 restatement[1]	2021 restated £m
Net cash generated from operations before changes in working capital	22.3	-	-	-	-	22.3
(Increase)/decrease in trade and other receivables	9.4	6.4	-	-	-	15.8
Increase/(decrease) in trade and other payables	27.4	(6.4)	(25.0)	-	15.3	11.3
(Decrease)/increase in provisions	(0.3)	-	25.0	-	(15.3)	9.4
Net cash generated from operations	58.8	-	-	-	-	58.8

[1] Refer to note 16 for the impact on 30 June 2020.

Trade and other receivables

	Group				
	2021 originally reported £m	Adjustment **i)**	Adjustment **ii)**	Adjustment **iii)**	2021 restated £m
Trade receivables	51.8	(3.3)	-	-	48.5
Less: provision for impairment of receivables	(0.1)	-	-	-	(0.1)
Trade receivables – net	51.7	(3.3)	-	-	48.4
Contract assets	159.1	(3.1)	-	-	156.0
Amounts due from joint ventures	6.1	-	-	-	6.1
Research and development expenditure credits	-	-	-	4.5	4.5
Other receivables	12.8	-	-	-	12.8
Prepayments	13.6	-	-	-	13.6
	243.3	(6.4)	-	4.5	241.4

Trade and other payables

	Group				
	2021 originally reported £m	Adjustment **i)**	Adjustment **ii)**	Adjustment **iii)**	2021 restated £m
Trade payables	90.9	-	-	-	90.9
Contract liabilities	99.1	(6.4)	-	-	92.7
Other taxation and social security payable	30.5	-	-	-	30.5
Other payables	1.2	-	-	-	1.2
Accruals	263.7	-	(25.0)	-	238.7
	485.4	(6.4)	(25.0)	-	454.0

The impact on provisions for other liabilities and charges is stated in note 16.