

Carclo Overseas Holdings Limited

Registered Number: 00452529 (England and Wales)

**Annual Report and Financial Statements
for the Year Ended 31 March 2023**

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Carclo Overseas Holdings Limited

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for the Year Ended 31 March 2023**

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Carclo Overseas Holdings Limited
Company Information

DIRECTORS: FLP Doorenbosch
EG Hutchinson

REGISTERED OFFICE: Unit 5
Silkwood Court
Ossett
West Yorkshire
WF5 9TP

REGISTERED NUMBER: 00452529 (England and Wales)

AUDITOR: Mazars LLP
30 Old Bailey
London
EC4M 7AU

Carclo Overseas Holdings Limited
Strategic Report for the Year Ended 31 March 2023

The directors present their strategic report for the year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The company's principal activity during the year was that of an intermediate holding company.

BUSINESS MODEL

The company is a holding company of overseas subsidiaries within the Carclo plc Group.

REVIEW OF BUSINESS

The Company made an operating loss of £1,273,530 (2022: loss £1,541,077).

A foreign exchange loss of £1,269,259 was made in the year to 31 March 2023 (2022: loss £1,366,645).

PRINCIPAL RISKS AND UNCERTAINTIES

As a holding company, Carclo Overseas Holdings Limited is exposed to the risk of impairment through poor performing subsidiaries. Impairment reviews are carried out at least annually to effectively manage and mitigate this risk.

Supply chain disruption from the COVID-19 pandemic and political uncertainty such as the Russian invasion of Ukraine have led to increased supplier costs, delays and shortages of labour and material resource having significant impact on profitability which may have an impact on the business being able to receive dividends from subsidiary operations where negatively impacted.

Foreign currency movements impact on reported performance, this is because non-sterling denominated financial liabilities are translated into sterling each period end whereas the corresponding investments in shares which were initially made in the same currency for hedging purposes are not translated into sterling each period end.

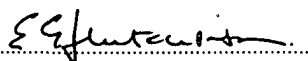
KEY PERFORMANCE INDICATORS

The company has no significant activities and therefore has no key performance indicators.

FUTURE DEVELOPMENTS

Carclo Overseas Holdings Limited is expected to continue as an intermediate holding company.

Approved by the Board and signed on its behalf by:



EG Hutchinson - Director
Unit 5
Silkwood Court
Ossett
West Yorkshire
WF5 9TP

Date: 4 October 2023

Carclo Overseas Holdings Limited

Report of the Directors for the Year Ended 31 March 2023

The directors present their report and the audited financial statements of the company for the year ended 31 March 2023.

RESULTS

The profit for the year, after taxation, amounted to £1,747,153 (2022: loss £1,370,996). The current year includes £3.1 million dividends received from subsidiary undertakings.

GOING CONCERN

The financial statements are prepared on a going concern basis.

The Company has net assets at 31 March 2023 of £0.1 million (2022: net liabilities £1.7 million) including cash at bank and in hand of £1.9 million (2022: £0.7 million). The Company incurred a profit after tax of £1.7 million.

The Company is a guarantor of its parent Company Carclo plc's bank debt. The Company also has a large intragroup liability to its parent Company. The Company is reliant on Carclo plc's support in not calling in its debt, which in turn relies on the plc itself being a going concern. Carclo plc has confirmed that it has no plans to recall the debt in at least the next twelve months from signing these financial statements.

On 2 September 2022, the Group successfully refinanced with the Company's bank, concluding a first amendment and restatement agreement relating to the multi-currency term and revolving facilities agreement dated 14 August 2020. The debt facilities available to the Group at 31 March 2023 comprised a term loan of £29.3 million, of which £1.4 million will be amortised by 31 March 2024 and a further £2.2 million amortised by 31 March 2025. The balance becomes payable by the termination date, 30 June 2025. At 31 March 2023, the term loans were denominated as follows: sterling 14.2 million, US Dollar 13.3 million and Euro 4.9 million. The facility also includes a £3.5m revolving credit facility, denominated in sterling, maturing on 30 June 2025. Since the year end there have been no significant changes to the Group's liquidity position.

Following a more than doubling of the base rate in the first half of 2022/23, the Group reassessed its forecast and concluded there was insufficient headroom available to meet all the agreed banking covenants in the event of certain downside scenarios taking place. Since this time the Group has worked with the bank to amend the covenants and agreed adjustment to the Group's interest cover covenant to June 2025 and to an adjustment to the net debt to underlying EBITDA covenant to December 2023.

A schedule of contributions is also in place with the pension trustee with an agreed £3.5 million to be paid annually until 31 October 2039. Additional contributions also agreed are 25% of any surplus of 2023/24 underlying EBITDA over £18 million payable from 30 June 2024 to 31 May 2025, extending to 26% of any 2025/26 surplus payable from 30 June 2025 to 31 May 2026.

The Directors have reviewed cash flow and covenant forecasts to cover the period at least twelve months from the date of signing these financial statements taking into account available facilities and the terms of the arrangements with the Bank and the Pension Scheme. These demonstrate that the Company has sufficient liquidity headroom through the forecast period.

Severe downside sensitivities modelled included a range of scenarios modelling the financial effects of loss of business from: discrete sites, an overall fall in gross margin of 1% across the Group, a fall in Group sales of 3% matched by a corresponding fall in cost of sales of the same amount, and interest rate risk.

The Group has already taken action in response to events during the year including significant operational restructuring, seeking and receiving appropriate commercial settlement in relation to the customer cancellation, cost saving initiatives and on-billing of cost surcharges but also more widely across the Group there is focus on working capital management, debt reduction and interest reduction initiatives.

The benefit of these actions are partially modelled in the forecasts and on the basis of these forecasts and the sensitivity testing, the Board determined that it is reasonable to assume that the Company will continue to operate within the facilities available to it and to adhere to any covenant tests to which the Group is subject throughout at least the twelve month period from the date of signing the financial statements and as such it has adopted the Going Concern assumption in preparing the financial statements.

Carclo Overseas Holdings Limited

Report of the Directors for the Year Ended 31 March 2023

DIRECTORS OF THE COMPANY

The directors who served during the year and to date of this report were as follows:

L G Westgarth (resigned 12 May 2023)

N I B Sanders (resigned 5 November 2022)

FLP Doorenbosch (appointed 7 November 2022)

DM Bedford (appointed 14 November 2022, resigned 21 August 2023)

EG Hutchinson (appointed 21 August 2023)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

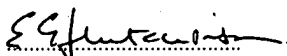
Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

REAPPOINTMENT OF THE AUDITORS

The auditors Mazars LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on **4 October 2023** and signed on its behalf by:



EG Hutchinson - Director

Unit 5

Silkwood Court

Ossett

West Yorkshire

WF5 9TP

Carclo Overseas Holdings Limited

Statement of Directors' Responsibilities

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's report to the Members of Cardo Overseas Holdings Limited

Opinion

We have audited the financial statements of Cardo Overseas Holdings Limited (the 'company') for the year ended 31 March 2023 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Independent Auditor's report to the Members of Carclo Overseas Holdings Limited (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: anti-bribery, corruption and fraud and money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and the Companies Act 2006.

Independent Auditor's report to the Members of Carclo Overseas Holdings Limited (continued)

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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



Gavin Barclay (00137, 00137 15:49 GMT+1)

Gavin Barclay (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

30 Old Bailey
London
EC4M 7AU

5 October 2023

Date:

Carclo Overseas Holdings Limited

Income Statement for the Year Ended 31 March 2023

	Notes	2023 £	2022 £
TURNOVER		-	-
Administrative expenses		(4,271)	(4,025)
		<u>(4,271)</u>	<u>(4,025)</u>
Foreign exchange loss	6	(1,269,259)	(1,366,645)
Exceptional items	7	-	(170,407)
OPERATING LOSS		<u>(1,273,530)</u>	<u>(1,541,077)</u>
Impairment of investments	10	-	(337,000)
Interest receivable		140,470	139,212
Interest payable		(100,762)	(143,849)
Dividend income from shares in group undertakings	5	3,119,332	530,241
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	6	<u>1,885,510</u>	<u>(1,352,473)</u>
Tax expense on profit / (loss) on ordinary activities	9	(138,357)	(18,523)
PROFIT / (LOSS) FOR THE FINANCIAL YEAR		<u>1,747,153</u>	<u>(1,370,996)</u>

The above relates to continuing operations.

There was no other comprehensive income during the year (2022: £nil) and so no Statement of Comprehensive Income is presented.

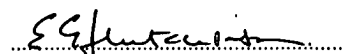
The notes on pages 12 to 18 form an integral part of these financial statements

Carclo Overseas Holdings Limited
(Registered number: 00452529)

Statement of Financial Position 31 March 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Investments	10	39,802,278	39,802,278
CURRENT ASSETS			
Related party debtors	11	6,065,210	5,881,960
Cash at bank and in hand		1,939,740	668,417
Current Assets		8,004,950	6,550,377
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Related party creditors	12	(47,623,204)	(47,915,783)
Provisions	13	(104,821)	(104,821)
		(47,728,025)	(48,020,604)
NET CURRENT LIABILITIES		(39,723,075)	(41,470,227)
NET ASSETS / (LIABILITIES)		79,203	(1,667,950)
CAPITAL AND RESERVES			
Called up share capital	14	10,000	10,000
Retained earnings / (losses)	15	69,203	(1,677,950)
SHAREHOLDERS FUNDS / (DEFICIT)		79,203	(1,667,950)

Approved by the Board of Directors on 4 October 2023 and were signed on its behalf by:


EG Hutchinson - Director

The notes on pages 12 to 18 form an integral part of these financial statements

Cardo Overseas Holdings Limited

Statement of Changes in Equity for the Year Ended 31 March 2023

	Called up Share Capital £	Retained Earnings £	Total Equity £
Balance at 1 April 2021	10,000	(306,954)	(296,954)
Changes in equity			
Loss for the year	-	(1,370,996)	(1,370,996)
Balance at 31 March 2022	10,000	(1,677,950)	(1,667,950)
Changes in equity			
Profit for the year	-	1,747,153	1,747,153
Balance at 31 March 2023	10,000	69,203	79,203

The notes on pages 12 to 18 form an integral part of these financial statements

Carclo Overseas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

1 COMPANY INFORMATION

Carclo Overseas Holdings Limited is a private company limited by shares and registered in England and Wales. Registered number 00452529. Its registered office is located at Unit 5, Silkwood Court, Ossett, West Yorkshire, WF5 9TP.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – 'The Reduced Disclosure Framework' (FRS 101). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

2.2 Summary of disclosure exemptions

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- A statement of cash flows and related notes
- Non-current asset held for sale and discontinued operation net cash flow disclosure
- The requirement to produce a balance sheet at the beginning of the earliest comparative period
- The requirements of IAS 24 related party disclosures to disclose related party transactions entered in to between two or more members of the group as they are wholly owned within the group
- Disclosure of key management personnel compensation
- Capital management disclosures
- Presentation of comparative reconciliation of the number of shares outstanding at the beginning and at the end of the period
- The effect of future accounting standards not adopted
- Disclosures in relation to impairment of assets
- Disclosures in respect of financial instruments (other than disclosures required as a result of recording financial instruments at fair value)

As the consolidated financial statements of Carclo plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

Carclo Overseas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

2.3 Parent Company

The Company is a wholly owned subsidiary of Carclo plc. Carclo plc prepares publicly available consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). This Company is included in the consolidated financial statements of Carclo plc for the year ended 31 March 2023.

2.4 Financial instruments

Amounts due to group companies are initially recognised at fair value being the present value of future interest and capital payments discounted at the market rate of interest for a similar financial liability.

Interest payable on the loan is recognised in profit or loss under the effective interest method.

2.5 Taxation

Tax expense recognised in the income statement comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

Calculation of deferred tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period that are expected to apply when the asset is realised or the liability is settled.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover the related asset or settle the related obligation.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax assets are not discounted. Deferred tax liabilities are not discounted.

2.6 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

2.7 Investments

The company has taken the option provided by FRS 101 to use fair value "deemed cost" for its investments upon transition from UK GAAP. Investments are carried at "deemed cost" less any provision for impairment.

2.8 Exceptional items

In order for the users of the accounts to better understand the underlying performance of the Company, the Directors have separately disclosed transactions which, whilst falling within the ordinary activities of the Company, are, by virtue of their size or incidence, considered to be exceptional in nature.

Notes to the Financial Statements for the Year Ended 31 March 2023

2.9 Going concern

The financial statements are prepared on a going concern basis.

The Company has net assets at 31 March 2023 of £0.1 million (2022: net liabilities £1.7 million) including cash at bank and in hand of £1.9 million (2022: £0.7 million). The Company incurred a profit after tax of £1.7 million.

The Company is a guarantor of its parent Company Carclo plc's bank debt. The Company also has a large intragroup liability to its parent Company. The Company is reliant on Carclo plc's support in not calling in its debt, which in turn relies on the plc itself being a going concern. Carclo plc has confirmed that it has no plans to recall the debt in at least the next twelve months from signing these financial statements.

On 2 September 2022, the Group successfully refinanced with the Company's bank, concluding a first amendment and restatement agreement relating to the multi-currency term and revolving facilities agreement dated 14 August 2020. The debt facilities available to the Group at 31 March 2023 comprised a term loan of £29.3 million, of which £1.4 million will be amortised by 31 March 2024 and a further £2.2 million amortised by 31 March 2025. The balance becomes payable by the termination date, 30 June 2025. At 31 March 2023, the term loans were denominated as follows: sterling 14.2 million, US Dollar 13.3 million and Euro 4.9 million. The facility also includes a £3.5m revolving credit facility, denominated in sterling, maturing on 30 June 2025. Since the year end there have been no significant changes to the Group's liquidity position.

Following a more than doubling of the base rate in the first half of 2022/23, the Group reassessed its forecast and concluded there was insufficient headroom available to meet all the agreed banking covenants in the event of certain downside scenarios taking place. Since this time the Group has worked with the bank to amend the covenants and agreed adjustment to the Group's interest cover covenant to June 2025 and to an adjustment to the net debt to underlying EBITDA covenant to December 2023.

A schedule of contributions is also in place with the pension trustee with an agreed £3.5 million to be paid annually until 31 October 2039. Additional contributions also agreed are 25% of any surplus of 2023/24 underlying EBITDA over £18 million payable from 30 June 2024 to 31 May 2025, extending to 26% of any 2025/26 surplus payable from 30 June 2025 to 31 May 2026.

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Severe downside sensitivities modelled included a range of scenarios modelling the financial effects of loss of business from: discrete sites, an overall fall in gross margin of 1% across the Group, a fall in Group sales of 3% matched by a corresponding fall in cost of sales of the same amount, and interest rate risk.

The Company has already taken action in response to events during the year including significant operational restructuring, seeking and receiving appropriate commercial settlement in relation to the customer cancellation, cost saving initiatives and on-billing of cost surcharges but also more widely across the Group there is focus on working capital management, debt reduction and interest reduction initiatives.

The benefit of these actions are partially modelled in the forecasts and on the basis of these forecasts and the sensitivity testing, the Board determined that it is reasonable to assume that the Company will continue to operate within the facilities available to it and to adhere to any covenant tests to which the Group is subject throughout at least the twelve month period from the date of signing the financial statements and as such it has adopted the Going Concern assumption in preparing the financial statements.

Notes to the Financial Statements for the Year Ended 31 March 2023

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

Going Concern

Note 2 contains information about the preparation of these financial statements on a going concern basis.

Key judgement

Management has exercised judgement over the likelihood of the company to continue to operate within its available facilities for at least twelve months from the date of signing these financial statements.

Valuation of investments in subsidiary undertakings

Notes 10 and 17 provide details of the Company's investments in subsidiary undertakings.

Key judgement

Management has estimated the recoverable amount of investments in subsidiary undertakings using fair value less costs of disposal ("FVLCD"). The FVLCD method requires the estimation of the fair value of the investment in the subsidiary undertaking and of associated costs of disposal.

4 EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 March 2023 nor for the year ended 31 March 2022.

	2023	2022
	£	£
Directors' remuneration	-	-

The average monthly number of employees during the year including directors was 3 (2022: 2).

5 DIVIDEND INCOME

	2023	2022
	£	£
Dividend income from subsidiary undertakings	3,119,332	530,241

6 PROFIT BEFORE TAXATION

The profit / (loss) before taxation is stated after charging:

	2023	2022
	£	£
Foreign exchange losses	1,269,259	1,366,645

7 EXCEPTIONAL ITEMS

	2023	2022
	£	£
Claim against historical investment disposal	-	170,407
	-	170,407

Exceptional cost in the prior period relates to a potential tax claim of €200,000 following the disposal of a historic investment. The debtor outstanding of £65,586 was provided for, and an additional provision of £104,821 was created, see note 12. There is no change to this provision in the current year.

Carclo Overseas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

8 AUDITOR'S REMUNERATION

The audit fees for the Company have been borne by another group company in the Carclo plc group.

9 TAXATION

Tax charged in the income statement:

	2023 £	2022 £
Overseas taxation:		
Current tax	147,812	18,523
Adjustment for prior years	(9,455)	-
Total tax income in income statement	<u>138,357</u>	<u>18,523</u>

The tax on profit / (loss) assessed for the year is lower (2022: lower) than the standard rate of corporation tax in the UK of 19% (2022: 19%). The difference is explained below:

	2023 £	2022 £
Profit / (loss) on ordinary activities before tax	1,885,510	(1,352,473)
Corporation tax at standard rate of 19% (2022: 19%)	358,247	(256,970)
Effects of:		
Dividends Received	(592,673)	256,970
Income not taxable	279,817	-
Adjustment to current tax in respect of prior periods	(9,455)	-
Unprovided deferred tax movement	(45,391)	-
Withheld tax on dividends from foreign shareholdings	147,812	18,523
Tax Charge	<u>138,357</u>	<u>18,523</u>

	2023 £	2022 £
The company has unrecognised deferred tax assets.	<u>895,968</u>	<u>955,693</u>

The Company has not recognised these deferred tax assets since it expects to benefit from group relief rather than these assets in order to reduce its future tax liability. Therefore there is uncertainty as to the timing of the utilisation of these assets.

10 INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2022 and 31 March 2023	41,920,278
Impairment	
Impairment provision at 1 April 2022	(2,118,000)
Impairment at 31st March 2023	<u>(2,118,000)</u>
NET BOOK VALUE	
At 31 March 2023	39,802,278
At 31 March 2022	<u>39,802,278</u>

Carclo Overseas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Due within one year		
Amounts owed by group undertakings	6,065,210	5,881,960
	<u>6,065,210</u>	<u>5,881,960</u>

£0.5m owed by group undertakings and shown as due within one year bear interest at 5% above base rate and are due to be repaid by March 2024. The remaining amounts owed by group undertakings are interest free and repayable on demand.

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Amounts owed to group undertakings	47,623,204	47,915,784

Amounts owed to group undertakings and shown as due within one year are non-interest bearing, unsecured and have no fixed payment date.

13 PROVISIONS

	2023	2022
	£	£
Potential tax claim following disposal of a historic investment	104,821	104,821

14 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

			2023	2022
Number:	Class:	Nominal Value:	£	£
10,000	Ordinary	£1	10,000	10,000

15 RESERVES

Called-up share capital – represents the nominal value of shares that have been issued.

Retained earnings – includes all current and prior period retained profits and losses.

16 ULTIMATE PARENT COMPANY

The parent company and ultimate controlling party of the group of undertakings for which group accounts are drawn up and of which the company is a member is Carclo plc. Copies of Carclo plc's accounts can be obtained from Unit 5, Silkwood Court, Ossett, WF5 9TP.

Carclo Overseas Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

17 RELATED UNDERTAKINGS

As required by section 409 of the Companies Act 2006, the company's related undertakings as at 31 March 2023 are listed below:

Name	Country	%age Owned	Direct/ Indirect
Carclo France SAS*	France	100	Direct
Jacottet Industrie SAS*	France	100	Indirect
CTP Taicang Co. Ltd^	China	100	Direct
Carclo US Holdings Inc.#	USA	100	Direct
CTP Carrera Inc.#	USA	100	Indirect

Registered Address

*40 bis Avenue d'Orleans, 28000, Chartres, FRANCE

^No 8 Xixin Road, Chengxiang Town, Taicang City, Jiangsu Province 215411, CHINA

#600 Depot St. Latrobe, PA, 15650, USA