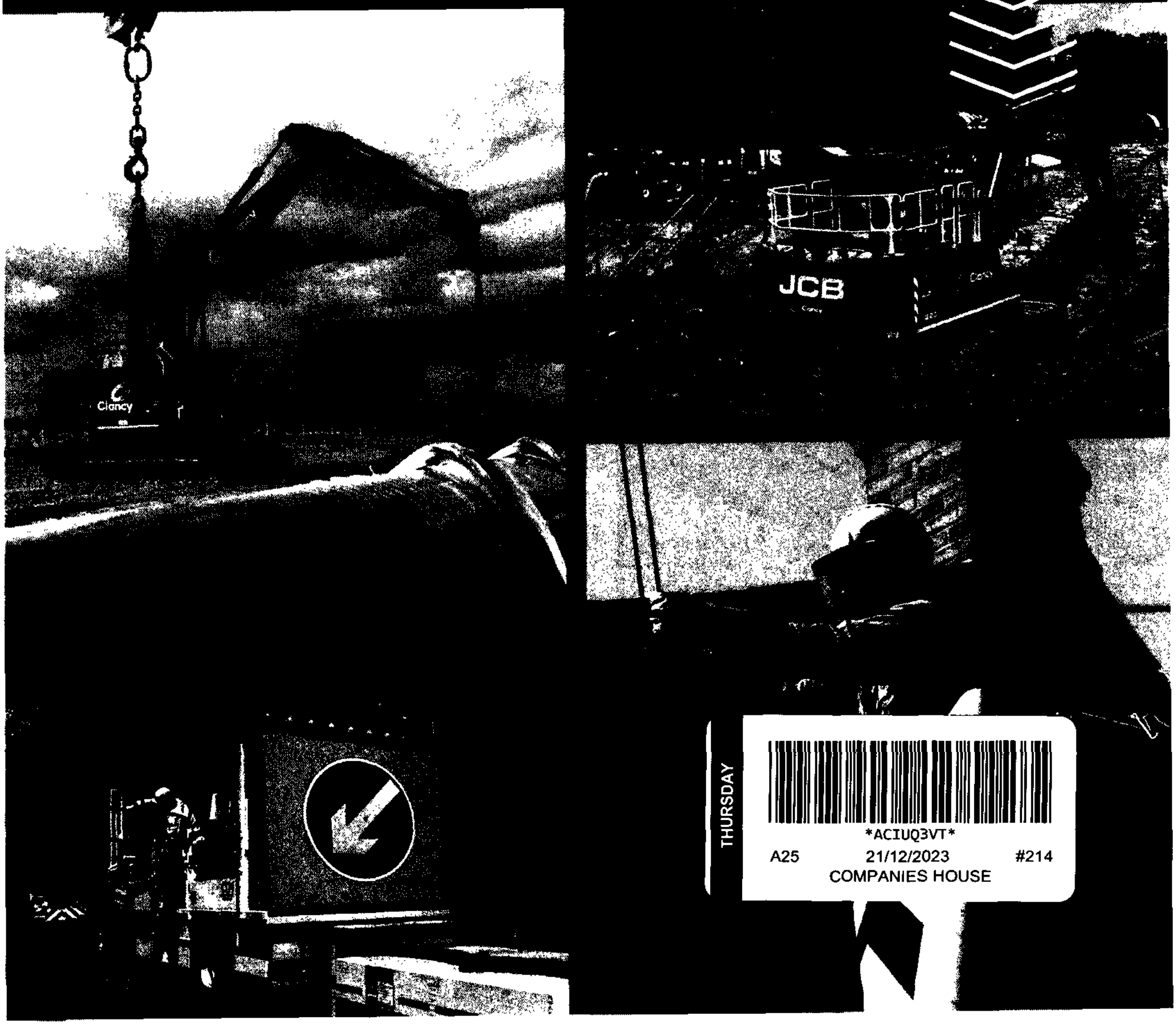
Clancy

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 2 April 2023

Delivering smarter, greener infrastructure



Performance Highlights

Strong health and safety record

achieving low accident frequency rate of 0.03 per 100,000 hours worked, 70% lower than previous year

Reduced service strike rate

by 19% to 7.89 per £10m of turnover

Pre-tax profit

up 27% to £13.5m

Revenue growth

of 14% year on year

Over 57,000 hours training delivered

for our workforce of around 3000 people

Utility Week Capital Project of the Year

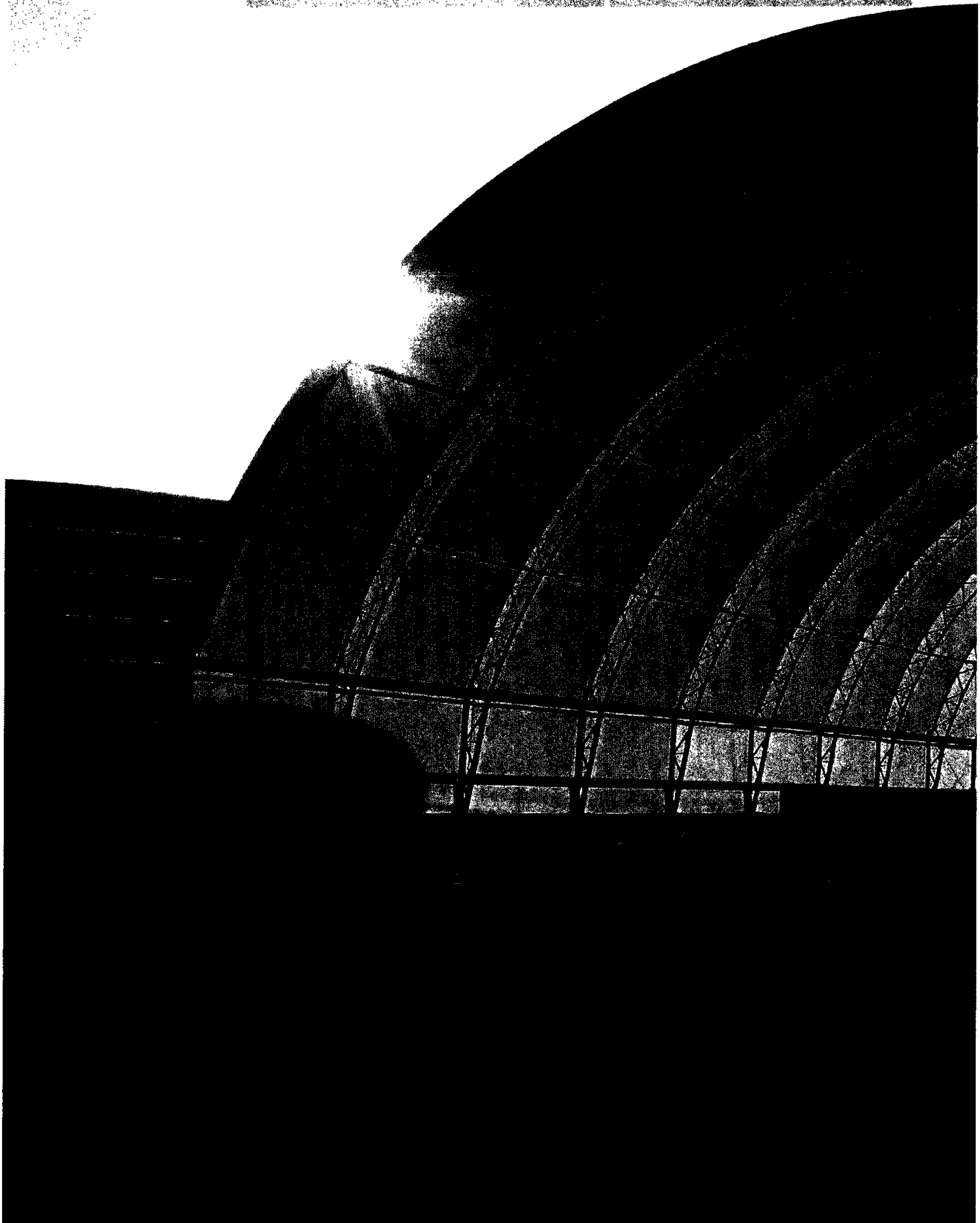
Award with UK Power Networks at Leicester Square

£1m support given to help our people

through the cost-of-living crisis

£100,000 donated

through the Clancy Foundation



What we do

» We build and maintain smarter, greener infrastructure networks that are fit for the future.

» We work across major frameworks and alliances in water and energy, as well as supporting ground-breaking infrastructure programmes.

» We are one of the UK's largest privately owned, independent contractors - directly employing, training and supporting our workforce of around 3,000 people across our network of UK offices.

» With a 65-year track record in technical expertise and innovation, we are committed to continual investment in better tools and ways of working – making lives better for growing families up and down the UK.

Our business plan))

Through the 2022-2023 year we have invested in our business as we support the expansion and renewal of UK infrastructure.

Our strategy is based around four core objectives that reflect our independent, family-run ethos:

1))

To re-imagine delivery – innovating and adopting new ways of working to help us be smarter, safer and more productive. This includes a commitment to zero harm – to our team and the communities we work in – and to delivering brilliant customer service.

2))

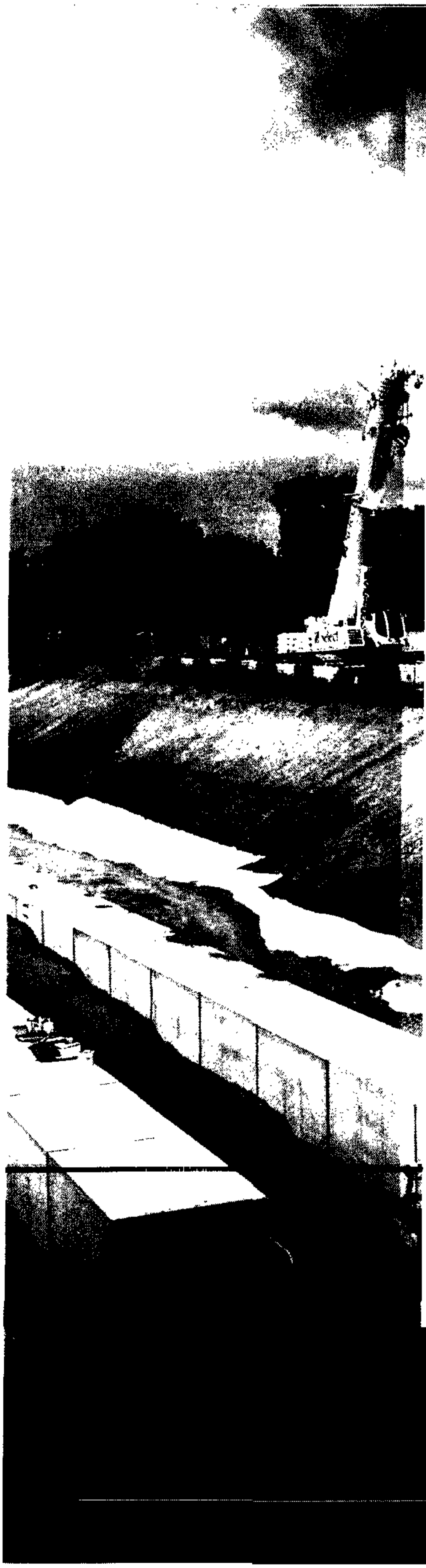
To be the employer of choice within infrastructure – maintaining our direct employment model as a central pillar of our strategy to sustain a highly-trained, stable and committed workforce. We want to do this by engaging and empowering our people, developing their skills so that they can thrive as individuals and within their communities, and being inclusive to attract and retain the best talent.

3))

To harness greener technology for the good of the planet – promoting zero waste and reducing our carbon footprint as a business.

4))

To be smart investors – our model is one of financial resilience, operating without borrowings and generating robust cash reserves that we can re-invest in the future. Our aim is to be more efficient every year – thinking and planning for the long term.



The Clancy Way

We are a values-led organisation and these objectives rely on shaping a positive culture. The Clancy Way explains our goals as a business and the way in which we work for our people, clients and communities. It's what makes us special and successful and it guides everything we do.

Our mission
We are here to **make life better for everyone's growing families**

Our vision
Every day we want to be **trusted to deliver smarter, greener infrastructure brilliantly**

Our values

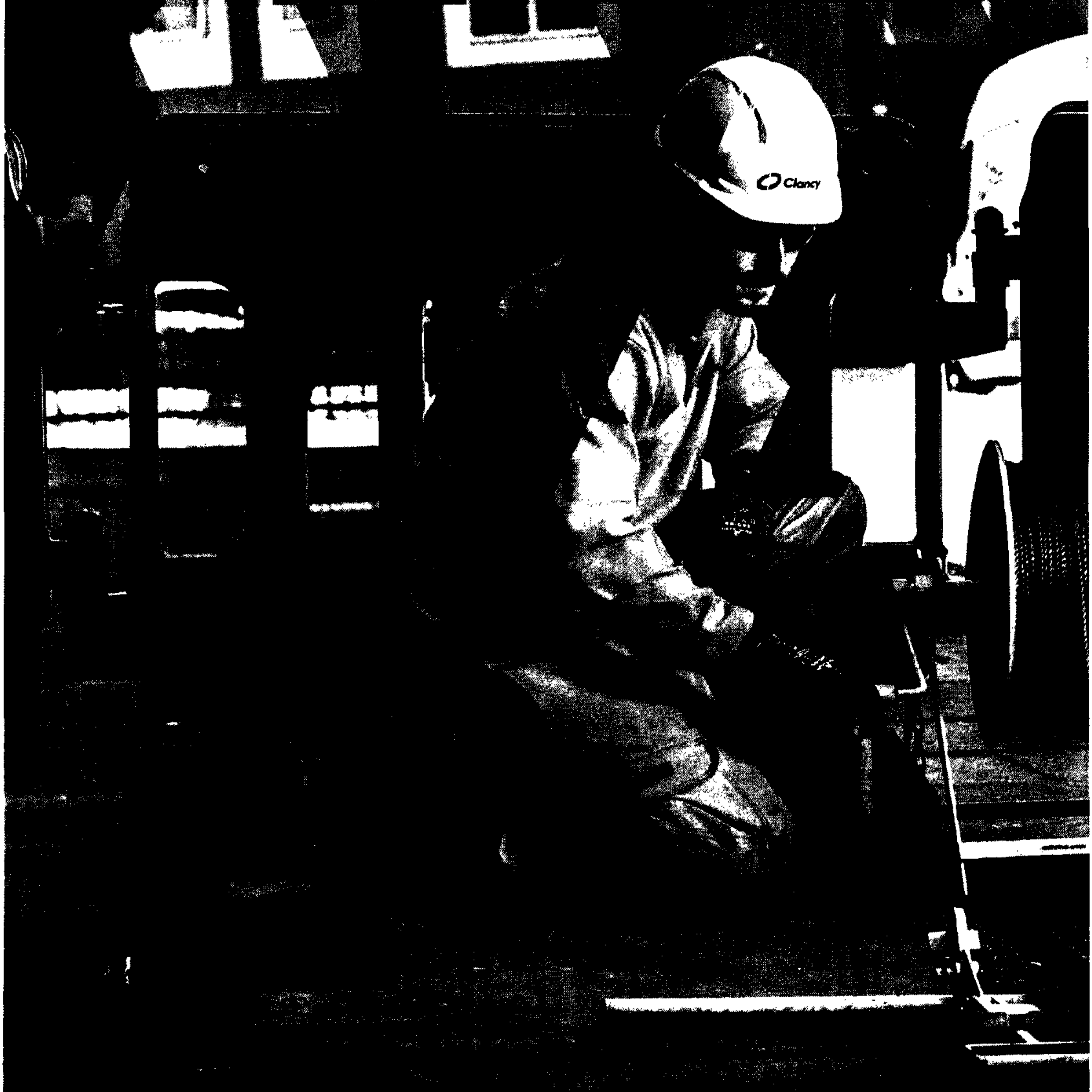
We are ambitious
for ourselves and our clients

We are innovative
in how we think and how we work

We are easy to do business with
available and willing to help

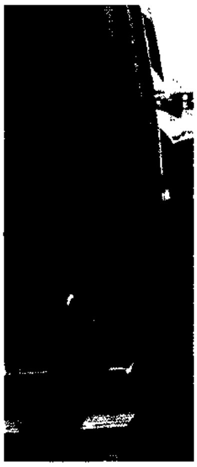
We do what we say,
acting with integrity in everything we do

We care
about people and the planet



STRATEGIC REPORT

» Supporting Glasgow Humane Society, alongside Enviroclean for their assistance during essential works in the River Clyde.



Chairman's Statement »

Kevin Clancy
Chairman

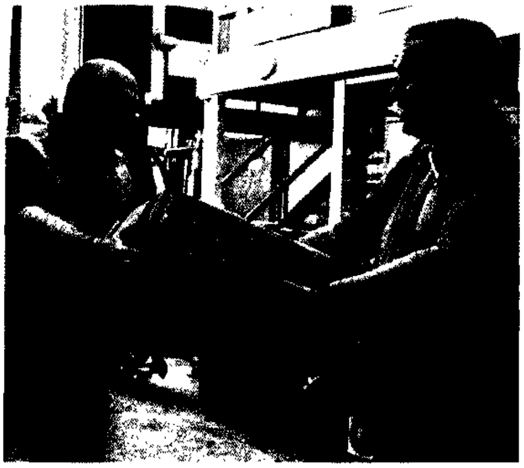
It gives me real pride to report another successful year for our business. The period has brought a series of ups and downs for the country, for the economy and for individual households. We have had to find our way through an inflationary environment and cost of living crisis, while also responding to radically changing priorities when it comes to infrastructure networks. We understand these difficulties and are in a good position to take action, supporting our people and adapting our services to meet clients' needs and those of their customers.

Shaping the future with clients

The nature of our business gives us good visibility of future work. This is the case both for capital projects to support the expansion of water and energy networks, as well as for maintenance frameworks. That in turn gives us confidence to invest in people and the tools they use. The backdrop is our family-run model, blending professionalism and fresh ideas with personal commitments to future generations. We believe this is as relevant now as ever.

Last year, I wrote of the risk of a downturn in the UK and its impact on our work. While the country has so far avoided a technical recession, a slow growth environment with high inflation has brought very serious challenges. This year's annual report is full of examples where through working collaboratively with clients we have been able to come up with innovative ways of driving greater and greater efficiency, making sure that we keep projects on track and networks running in good order.

Looking ahead, we face greater challenges still. Our water clients in particular are grappling with the need to increase their investment to address serious concerns over water security and the environment, stepping up and reassuring a concerned public and the regulator Ofwat. In the energy sector, we are accelerating our work to secure grids with the extra capacity and greater resilience needed for a switch to a lower carbon economy. Across the board, we are working with all our partners to decarbonise infrastructure - reducing, mitigating and removing carbon emissions as we build a sustainable future.



)) Family assembly at Clare House

Supporting and upskilling our people

The team that we have in place at all levels of our business – our Clancy family – means that we are able to help address these problems. We continue to be committed to a direct delivery model with a workforce of over 3,000 people. This ensures that Clancy colleagues can benefit from the skills, training and support that we offer throughout their careers.

This commitment gives our clients confidence in our ability to deliver with the highest standards of service and safety.

The marks of these successes are seen every day in the compliments that we see from clients and members of the public, and also through our Celebrating Clancy awards. These are now in their third year and have become a firm fixture in our business calendar. They are an opportunity to reward great work, dedication and innovative ideas in line with our long-held values.

The effects of inflation have been felt just as keenly by our team as by our clients. Our workforce is important to us and we are mindful of the pressures our employees and their families have been facing. Our independent and family-focused model has allowed us to respond with a discretionary cost-of-living payment paid from company profits.

Giving back to communities

Our emphasis on direct and local employment means the benefit of our work is felt directly in the communities where we operate. This is supported by the work of the Clancy Foundation which is giving back to causes that matter to our team – from individual community initiatives to contributing to the global rescue and recovery efforts following the tragic earthquake in Turkey and Syria.

Remaining focused on the future

Across all these areas – client service and partnership, our people and community success – we move into the new financial year in a strong position. In the Board, we have a very experienced team in place, which blends the benefits of long term family-leadership and commitment with broader professional expertise and ingenuity. This gives me full confidence that we will continue to provide exceptional levels of service and support to everyone who works with or for us. As we begin our 70th year in business, we're excellently placed to deliver on the significant investment being made in the UK's national infrastructure in the coming year and beyond.

Celebrating Clancy

We hosted our second Celebrating Clancy awards programme in July 2022, recognising the amazing achievements of Clancy's individuals and teams who adapted to supply chain pressures and unprecedented environmental challenges. With over 3,000 peer-nominated entries, the event was a great success, allowing us to reaffirm our unique values, take time to celebrate our people's hard work and look ahead to our ambitions for the coming year.

Directional drilling for a new water main

To minimise disruption to the local community in Fleet, we used innovative horizontal directional drilling (HDD) techniques to excavate a 26m-deep and 1km-long trenchless tunnel, guided by a tracking system. This method cut the project's schedule by five months, meaning far less disturbance and a brilliant outcome for South East Water. Liaising closely with specialist organisations and supervisors, we also ensured the protection of Great-Crested Newts and two giant Redwood trees.

HS2 Aylesbury

Working on behalf of the Eiffage, Kier, Ferrovial and Bam (EKFB) joint venture, we delivered a complex auger bore to re-route a water main under a live railway and pave the way for HS2 trains between Birmingham and London.

CEO's Review »

Matt Cannon
Chief Executive Officer

The 2022-2023 period has been one of the best in our history when we look at the value, scale and success of the work that we have delivered for clients. This is reflected in our financial results, with record revenue and profitability, backed up by healthy cashflow. This ensures that we are in a strong position, with a great deal of opportunity ahead to continue this trajectory.

Performance

We continue to make good progress on the business plan that we established in 2019 focusing on our four strategic pillars: to reimagine delivery, to become the employer of choice within infrastructure, to harness greener technology and to act as smart investors.

These priorities are closely linked to one another and align with our clients' ambitions across the infrastructure space, where there remains a critical need for innovation and investment. Across the board, the industry is tasked with coming up with fresh ideas on how to improve performance from productivity, affordability and safety, to decarbonisation and environmental sustainability.

Our expertise across different industries allows us to spot opportunities to share best practice and solve those challenges. This is taking us into new areas, diversifying the nature of the work we are delivering for existing clients in energy, water and capital projects. We are also transferring our skills into different parts of the infrastructure sector, including new briefs this year with a series of the UK's largest telecoms providers.

Our Strategy

1. Reimagining Delivery

We are committed to being innovative, so that projects are delivered quickly, safely and with a minimal impact on communities and the environment.

The economic backdrop to the past twelve months has helped focus the industry on these challenges. Despite high cost inflation and challenges over resources, the solution to improving efficiency lies in investment. The use of trenchless technology has been a major focus for us through the year. Highlights include a major auger bore for a mains water diversion around the HS2 route, and the completion of a multi-phased directional drill for South East Water at Fleet, Hampshire. These civil engineering achievements are also being matched by sophisticated no-dig lining activity to repair wastewater networks.

The combination of these techniques with digital tools is further boosting productivity. We are undertaking a review of our works management systems, where we are rolling-out Depotnet in conjunction with a number of clients. Likewise, we are investing in a wholesale replacement of our plant telematics that will allow us greater visibility over vehicle and machinery usage.

These tools in turn support safer work practices. Over the last two years we have strengthened our safety team, our reporting processes and our training. This is bearing fruit as demonstrated by our key metrics, including an improvement in our accident frequency rate from 0.1 per 100,000 hours worked in the previous financial year to 0.03 in 2022-2023, as well as embedding a culture of good practice. There is absolutely nothing in our work that is so important that we cannot do it in a way that keeps our team and the public safe.

2. Becoming the employer of choice within infrastructure

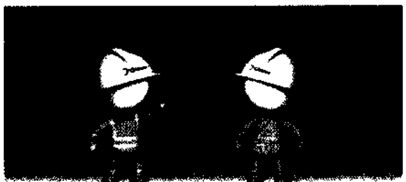
Supporting clients goes hand in hand with ensuring that our people can have a long, successful career.

We continue to commit to direct employment backed by ongoing in-house training and completed over 57,000 hours of skills development over the year. It ensures that every one of our Clancy family has the best possible platform for personal development. This is bringing great results in areas such as our Northern Powergrid contract in the North East, guaranteeing simple jobs can now be completed quickly by a single multi-skilled team. It has also underpinned our ability to flexibly move resource between our water and telecoms work where complementary skills are in high demand.

Along with skills, reward is fundamental to our business model. Recognising the extraordinary impact of inflation on families across the UK, we took the decision at the end of the 2022 calendar year to provide a cost-of-living payment of £500 to 1,800 of our employees, contributed from company profits. This is on top of inflationary pay rises of five per cent awarded at year end and individual promotions and recognitions throughout the year.

One of the highlights of the year for me has now become our Celebrating Clancy programme, with over 3,000 teams and individuals nominated by their peers this year for the way that they have lived and breathed our values as a business. Our long-term outlook also brings us the opportunity to celebrate commitment and long-service, which we have expanded this year.

As we look to the future as a family-owned, employee focused business, we have noted



Clancy Ideas Yard

The Clancy Ideas Yard, an initiative launched this year, allows our people to suggest ways in which we can continue to improve our processes and practices. We are investing £1,000 each quarter to reward the best, most effective ideas.

out two important programmes in the last twelve months to make sure that our people's voices and ideas are heard. One of which is our Clancy Voice initiative, through which we receive feedback on our business. The other is the Ideas Yard (see case study).

3. Harnessing greener technology for the good of the planet

Infrastructure investment lies at the heart of the global response to climate change. Through the year we have worked closely with clients to assess and reduce the impact of our activities and to plan for future measures year-on-year.

The target we have set ourselves is to be net zero by 2030. While we are pleased to report a fall in our emissions this year, we recognise the scale of the challenges ahead. The greatest risk to achieving our goal is around fuel usage and the slow progress being made in the development and manufacture of vehicles with the power and capacity needed for industries like ours. We have a dialogue with a number of major vehicle manufacturers to trial new equipment making sure that we can be at the front of the queue for these new technologies as they come online.

We are making good progress on decarbonisation in other areas, including switching our company car fleet to electric power and in investing in heat pump technology in our Harefield head office. We are now regularly adopting the use of Hydrotreated Vegetable Oil (HVO) as an alternative to diesel in our plant equipment, and working constructively with our clients to establish low carbon site set up through the use of solar pods.

4. Acting as smart investors

Maintaining this momentum relies on strong finances and I am pleased to report continued success on this front. Secure revenue, sound profitability and a healthy balance sheet collectively underpin our model as an independent business which is investing for the future.

Revenue over the year grew by 14 percent to £334.5m on the back of increased workstreams especially in capital projects. Profitability also increased with pre-tax profits of £13.5m, up from £10.6m in 2021-2022. This performance reflects a trend over a number of years towards growth and ensuring that all our contracts are operating sustainably both for us and for our clients.

Alongside revenue and profitability, maintaining a positive cash position is integral to our business plan and our commitment to operating on a sustainable footing, without borrowing. Net cash inflow stood at £14.7m, leaving a balance of £42.9m at year end. Alongside our expected order book of £1.5bn, of which £800m was secured at year end, this puts us in a strong position to invest and we expect to spend in the region of £20m across systems and plant through the 2023-2024 year. This itself follows the significant two-year programme of spending through 2020-2021 and 2021-2022, the benefits of which have been felt over the last twelve months. This approach is fundamental to our model and recognises that the pace of innovation and change within infrastructure is greater than ever.

Creating Long Term Value

A common thread across the four pillars of our business plan is our contribution to wider social value and we have been working with Social Value Portal to benchmark our activity. One of the most important metrics for us is local employment, which our direct delivery model strongly supports, and has demonstrated £26m of annual social value. Having established this benchmark, we look forward to building on this work in the coming year and quantifying our wider social value impact through the portal.

We have expanded and deepened our supply chain relationships – established through many years of collaborative alliancing partnering as lead contractors with specialist local businesses.

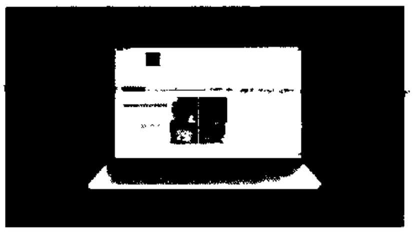
We have also continued to work hard to make sure that our whole business is acting responsibly and charitably. I am particularly proud of the ongoing work of our Clancy Foundation which goes from strength to strength in supporting the causes that matter to us and to those who work with us, including strengthening our relationship with industry charity, the Lighthouse Club.

Cake covers

We deployed our civil engineering expertise to build two storage facilities for Southern Water. These giant hangers protect waste materials from the elements as part of the process of safe disposal. Our team has delivered the projects from start to finish under a design and build contract including optioneering and solution-proving with Southern Water. The structures themselves at Aylesford and Ham Hill cover an area the size of eight large tennis courts.

Moving to ED2 with UK Power Networks

Our work on the ED1SON Alliance has gone from strength to strength over the year. Our programme has now transitioned into the ED2 regulatory period which is due to see landmark investment in the energy grid.

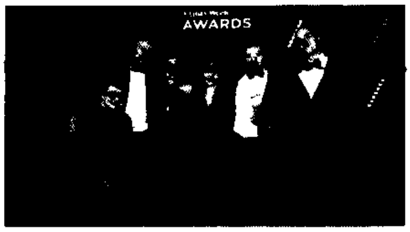


Map16

Using Map16 software gives us a complete picture of our water and waste infrastructure – helping us and our clients to better understand networks for more effective repairs and future resilience. Ease of access to data allows for proactive work to take place, increases our knowledge of the issue at hand and improves efficiency in our operation.

Clancy Foundation

We have supported a series of important charitable causes through the Clancy Foundation, including raising £25,000 for the Lighthouse Club through a golf day for clients and our team.



Award wins

Our work at London's Leicester Square with UK Power Networks received the prestigious Capital Project of the Year award from Utility Week. The installation of three new 100-tonne transformers below the iconic square required careful stakeholder engagement.

» Anglian Water - SPA Pipeline

Operational Review »

Our strategy is to deliver sustainable growth through established and trusted partnerships – reflecting in long term relationships that go back over many years, but also new opportunities to bring our skills to fresh challenges.

Taken as a whole, UK infrastructure is seeing major capital expenditure, from delivering resilience in water to transitioning energy grids to new fuel types. In our work we are seeing a demand for our engineering expertise to reinforce, rebuild or extend networks. It also includes undertaking the critical utility diversions necessary to facilitate major rail and road programmes.

This visible pipeline of work provides the certainty we need to invest in the skills and tools that clients are looking to us for.

Our ability to channel our resource across these areas of demand reflects our investment in training and in-house development, which means that we can make full use of our directly-employed team.

We are increasingly taking this expertise into new sectors alongside the water and energy work where we are most established. Most significantly over the past year, this has included the telecoms industry, where substantial spend in the roll-out of fibre networks will connect every home in the country to fast internet.

As the infrastructure sector as a whole manages inflationary pressures, we need to keep driving efficiency. Over the year we have stepped up to this challenge through our work on operational excellence. This includes training and also rolling out new systems to speed up our work in the field.

HS2 Bridgwater Road

We have been using our industry expertise in water to deliver crucial relining works for HS2 at a site in Bridgwater Road to keep the mega-project moving forward.

» HS2 Priors Farm, Ruislip, North London

Water and wastewater

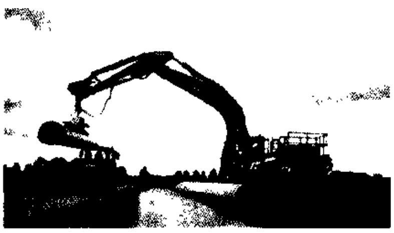
The water sector remains under significant pressure on two fronts. The first is to expand and adapt networks in light of climate change – unleashing a wave of new capital projects. The second is to shore-up existing water and wastewater assets so that they are resilient. We are working across the UK to support both of these ambitious and highly complex areas of activity.

In capital projects we are seeing increased activity in improving water security, including significant programmes of work over the year and in coming years with South East Water and Southern Water. Following year end we have confirmed our appointment as part of the team delivering Anglian Water's Strategic Pipeline Alliance – one of the largest infrastructure projects in Europe.

Within our framework activity, December 2022's rapid freeze-thaw event resulted in unprecedented bursts in the mains water network, requiring a rapid response from our teams. This has been delivered alongside critical renewal works that are ensuring the network is fit for purpose in the future. Some of our most advanced activity in this area has been in the wastewater sector, where we have deployed new technologies to map, repair and replace networks.

In clean water, we have been continuing to support clients to deliver proactive maintenance alongside reactive repair while also working on usage reduction through our metering activity, most notably for Anglian Water.

Looking ahead, we are engaged with clients across the sector as they focus on both capital investment and maintenance through the next regulatory framework AMP8, which begins in 2025.



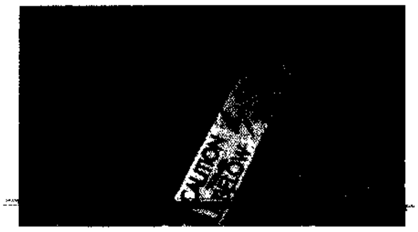
SPA pipeline

Building on our existing alliancing, we were appointed by Anglian Water to deliver a major potable water main between Cambridgeshire and West Norfolk as part of the Strategic Pipeline Alliance (SPA) with Costain. We will lead the construction of a new 43km main, using new technology and smart engineering techniques, to build the resilience of the region's water supply.

love every drop anglian

Chawston and Wyboston - Anglian Water wastewater patching

A complex programme of over 100 patch repairs at Chawston and Wyboston, Bedfordshire, has helped reduce pressure from groundwater infiltration on the sewer network and lower management costs for Anglian Water. Covering a 1,000 sq km area, the work has saved in the region of £115,000 per year in fuel and tankering resources - resulting in a more efficient, environmentally sustainable and resilient network.



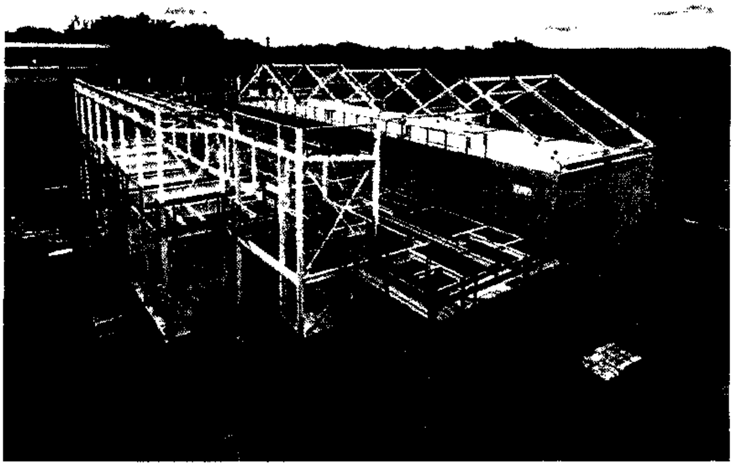
Driving efficient smart metering in the North East

We have been helping Northern Powergrid to facilitate the ambitious UK-wide roll out of smart meters and electric vehicle charge points. To avoid needing multiple site visits as part of these technically specialist jobs, we set up a training programme to multi-skill team members, improving efficiency and reducing disruption. Each team can now complete a simple job in under four hours, enabling Northern Powergrid to help more households in the North East to go greener, faster.

Scottish Water – Black Cart River wastewater emergency repair

Through a proactive approach to risk planning with Scottish Water, our wastewater team was able to step in quickly when an important asset showed signs of weakening, and manage the situation as it developed. Supporting the pipework to prevent damage to the asset, we could then carry out the planned repair and maintenance within just two months, increasing the asset's lifespan while keeping the network operational throughout.

» Gigaclear: First moves into telecoms



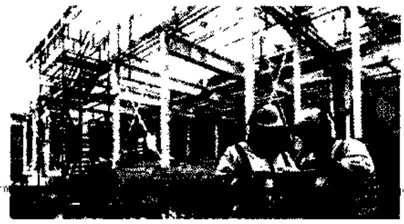
Energy

Our energy business over the twelve months has gone from strength to strength, with our core work being to support District Network Operators as they reinforce and extend the electricity grid.

In London and the South East we have continued to act as a lead partner within UK Power Networks' ED1SON Alliance which is upgrading critical networks and expanding grids to accommodate housing and commercial development. Now in its eighth year, the Alliance has seen us expand our skills, showcasing our work in demolition, substation builds and route renewals working up to voltages of 132kV. As of April 2023 we have now begun the transition to the next five-year regulatory period – ED2 – with investment through the Alliance continuing at pace.

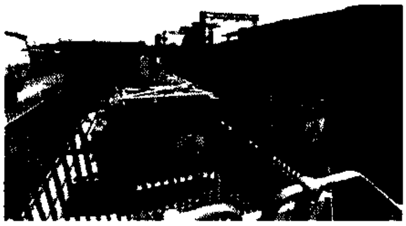
In the North East our work with Northern Powergrid has similarly continued to expand. Initially focused on repair and maintenance, we have successfully brought overhead cabling and network faults responses into our scope, and are identifying a further programme of high voltage works. As well as reflecting positively on the quality of our offer, this greater mix of activity allows us to maximise our productivity and invest in the long term.

Looking ahead, we see opportunities to complement these established programmes with further support for the UK's transition to renewable power.



Nelson Street

Stakeholder engagement has been a priority in our work to replace three 132 kV transformers inside a new substation as UK Power Networks upgrades the electricity network in London's East End. To engage the local community, our ED1SON Alliance stakeholder team designed, produced and installed visually appealing and educational hoardings telling the story of electrification in the area, while informing residents of the work being carried out and how it could impact them.



Guildford TX

As part of our work with UK Power Networks, we delivered a new switch house and two replacement transformers at a live substation in Guildford. Navigating existing cabling and nesting wildlife, we were able to increase the capacity of the energy network serving a growing community of homes nearby.

Civil engineering in major infrastructure

We bring the same civil engineering skills to bear in the complex alliance and joint venture structure of major infrastructure programmes. Through the year this has included workstreams with two HS2 joint ventures, Skanska Costain Strabag (SCS) and Eiffage Kier Ferrovial BAM (EKFB). Our role with both joint-ventures is to deliver a rolling programme of critical utility diversions along the route of the railway through north London and into the Chiltern Hills.

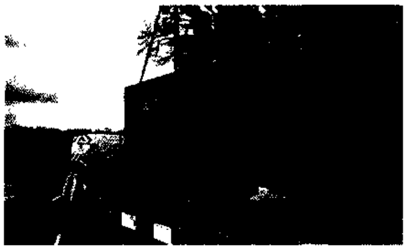
Drawing on expertise from across the business, as well as specialist partners, we have successfully completed complex jobs with an emphasis on using no-dig and trenchless technology to navigate existing infrastructure as well as sensitive environments.

Telecommunications

The 2022-2023 year saw us initiate work programmes with a number of the UK's leading telecoms operators. This is testament to our ability to leverage our core skills in areas of serious demand. With the growth of hybrid working, fast fibre connectivity is increasingly considered a critical utility.

This, together with a requirement for competition and consumer choice is driving the rapid roll-out of new networks.

Drawing on the resources of our Clancy Academy, we have been able to rapidly transition existing skills within our team to align them with the specialist requirements of the sector.



Gigaclear

In the past year, Clancy made its first moves into the telecommunications sector, complementing the business' 65-year history of supporting critical utility networks in water and energy. In one of its first projects, Clancy began work with Gigaclear to support the provider's fibre network upgrade to homes across Surrey.

To accelerate the work, the team sought to use existing telecoms routes, carrying out targeted repairs and excavations where necessary to renew or extend them, before installing the new fibre cables.

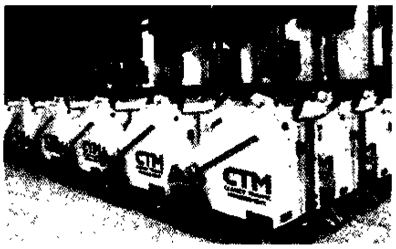
Clancy's work with Gigaclear has paved the way for the improved connection of 7,000 homes to full fibre – an increasingly vital utility in a world where digital connectivity underpins our work and home lives.

» Solar Pods: Investing in green technology

Traffic

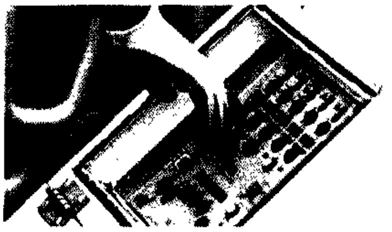
We have continued to expand our traffic management capability, securing new work on the high speed network supporting the maintenance of dual carriageways and motorways, and increasing our engagement with term maintenance for local authorities. Investment in new technology and plant has included boosting our stock of variable messaging signs and our fleet of impact protection vehicles to meet the growing demands of our clients.

A focus on further development of our digital platforms has allowed us to automate more of our processes, improving efficiency and works management, as well as the monitoring of training records and vehicle maintenance.



Viasat technology

We have become the first traffic management company to introduce the use of Viasat, a GPS technology which can track and monitor mobile traffic signals. Stolen lights can cause serious safety issues for road users if a site is left without the appropriate traffic management. Viasat allows us to monitor lights in real time so we can track down or replace missing signals quickly. It also monitors battery life, which means we can target our vehicle movements to the areas that need recharged or reconnected lights, reducing our mileage, and as a result, our carbon emissions.



Going faster with CTM skills

We are supporting and funding employees to go through the tiered temporary traffic management qualifications, from low-speed diversion works through to high-speed installation, maintenance and removal management. We have tripled the number of high-speed qualified operatives since the previous financial year.

Plant

Innovative plant and technology is essential for safety and efficiency. Our directly owned and operated client-focused fleet provides us with the responsiveness that is our hallmark on reactive jobs and ensures confidence in the availability of critical equipment.

The past twelve months saw the benefit of a £43m investment programme over the prior two years, with a further major capital commitment due over the 2023-2024 year as well. Significant new arrivals into our fleet have included nearly 100 new vans, suction excavation equipment and impact protection vehicles. To support safety, we have invested heavily in ground-penetrating radar equipment as part of our work to drive down utility strikes.

As well as our core fleet, we've brought in new equipment that is reducing the carbon footprint of our site activity. These include new solar pods for works compounds and equipment that is able to use Hydrotreated Vegetable Oil (HVO) as an alternative to diesel.

Where electric is not always practical for our larger vehicles or more remote work, we have maintained a constant dialogue with suppliers to understand how we can positively procure to invest. We are also optimising usage, updating our operating systems and how we track the data of our fleet and assets so that we can better plan our services and improve the performance of our assets.

Our plant division remains ready to invest and, as new equipment becomes available, we have the capital available to take advantage of innovations in the market.

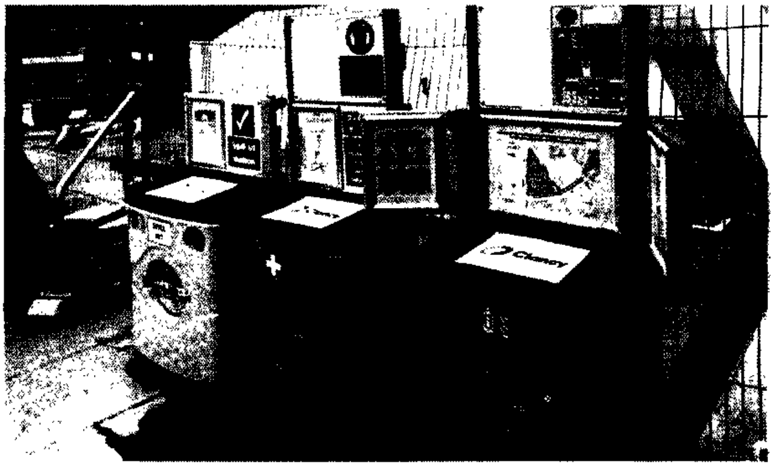
Ground Penetrating Radar

We have invested heavily in new ground penetrating radar equipment to help us tackle the risk of utility strikes, improving safety and avoiding disruption to customers.

Matrix iQ

We have been using Matrix iQ technology which tracks our fleet and assets on one single telematics consolidation platform - embracing data-led technology to improve plan servicing and boost performance.

» Scotland food bank donation



» Long service lunch 2022

Our Impact »

Our mission is to make life better for growing families across the UK. Our operations are true to our values – working safely, sustainably and in a way that builds social capital.

Safety

The safety of our people is of critical importance to us, reflected in the continued recognition and oversight of safety performance at Board level. We have now seen the benefits of processes we have been putting in place over recent years.

RIDDOR occurrences dropped significantly from the previous year. In real terms, we saw a reduction from seven to two incidents, showing an accident frequency of 0.03 per 100,000 hours worked, compared with 0.1 in 2021/2022. While this is well below industry average and clearly demonstrates the impact of the initiatives introduced this year, we are continuing our focus to drive out accidents.

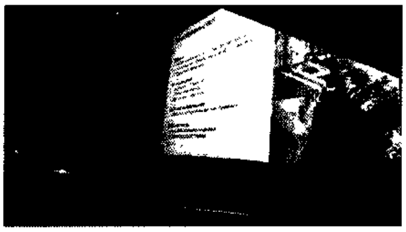
Service strikes (where damaging buried or overhead services creates significant risks to our people, supply chain and members of the public) have been a greater priority than ever this year. We have reduced our service strike rate of 9.72 per £10m of turnover in 2021/2022 to 7.89 in 2022/2023.

These improvements are the result of sustained investment in equipment including vacuum excavators to enable trenchless digs and ground penetrating radar to scan for services before spades go into the ground. We have also placed an emphasis on behaviours, delivering training and regular focus groups to ensure service avoidance remains a hot topic for our teams.

Above the two primary performance measures of RIDDORs and service strikes, the initiatives undertaken this year have also achieved a 33 per cent decrease in lost time incidents (LTIs) between 2021/2022 and 2022/2023, showing a frequency rate of 0.06 per 100,000 hours worked.

These achievements have been driven by ongoing training, communication and senior sponsorship, as well as investment in technology. We have continued to digitise our incident and risk reporting, allowing us to pinpoint areas for action. Based on feedback from our teams, this has included integrating daily recording of exposure to vibrating tools into our real-time digital reporting. By simplifying this reporting, we have increased our visibility of Hand Arm Vibration Syndrome (HAVS), allowing us to focus on job roles, switching to safer equipment where possible, as well as target communication and training to minimise the risk of injury.

Communication is central to our work and we have introduced weekly calls hosted by our Health, Safety, Environment and Quality (HSEQ) Director with the rest of the Operational Board to review any recent incidents or near misses and identify



Toolbox Talks

Our interactive Toolbox Talks, rolled out this year, are helping site supervisors to reinforce our RESPECT training across our teams. Short videos provide questions around inclusion which are used to spark an open conversation among the team about how we can all create a supportive and inclusive culture.

» DANNY card.
Wellbeing initiative

where further improvements can be made. This ensures lessons and insights are shared across our frameworks, project teams and regions.

Our annual Raising the Bar HSEQ conference has played an important role in establishing a zero harm culture. Following the launch of the initiative last year, with a further all company stand down for safety in May 2023, focused on risk perception. Though we have seen strong progress in our safety performance across the board, further improvement remains a priority. We will continue to monitor each business area and review every incident, accident or significant near miss to ensure constant progress.

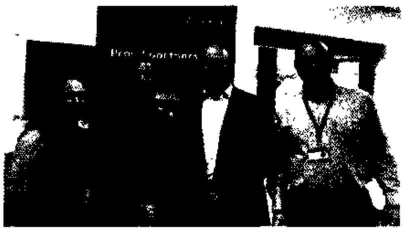
Winning at Wellbeing

We received a Winning at Wellbeing Award at Logistics UK's Van Awards 2022 in recognition of our work around safety, occupational health assessments and the introduction of the DANNY Card. An initiative spearheaded last year by Chris Dawson, a Clancy colleague whose nephew Danny tragically took his own life, the card goes to all employees, providing contact details and resources offering support on mental health.

Our People

We are working to be the employer of choice within infrastructure and this has been a particularly strong year for our people initiatives – from cost-of-living support payments to Diversity and Inclusion training. Our direct employment model continues to differentiate us in the UK's construction sector. Through our Clancy Academy, we can train our people to the highest standards. This gives confidence to our clients and means we can upskill and redeploy our teams to meet the changing demands.

Over the year we have delivered over 57,000 hours of in-house training. The Clancy Academy supports our work to attract and nurture talent, including 44 apprentices across the business. We are able to deliver specific programmes that target areas of client need – including quantity surveying.



Health and Safety Stand Down

The second of our annual Raising the Bar conferences saw us carry out another company-wide stand down for all operational staff as we focused on risk perception.

Another new initiative this year has been establishing a bespoke programme for senior managers, giving them the skills to become future business leaders.

Supporting our growing families

We have taken the initiative to support and reward our employees over the past year. As a family focused business, we want to help our people through the unprecedented current economic situation in the UK. To do that, we gave 1,800 colleagues a £500 cost-of-living payment, contributed through company profits.

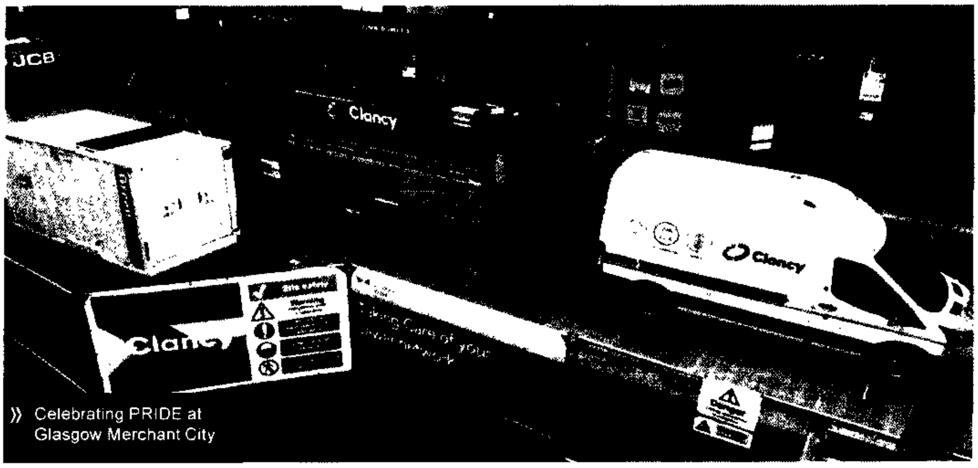
We also introduced a new employee benefit in the form of salary advances as part of our Clancy Cares programme to help provide our people with affordable loans, which can be repaid through salaries. The scheme has been well received and has seen good take up so far.

As part of our annual salary review, we have provided a five per cent pay rise to all those eligible as of the start of this financial year.

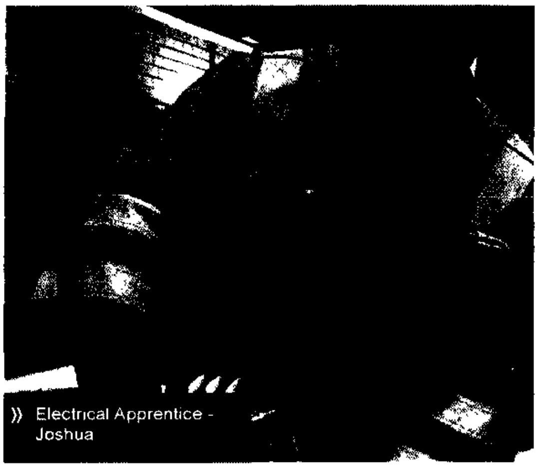
Our culture and commitment to our people has long meant that employees stay with us and continue to do brilliant work for many years. In the last twelve months we have introduced a range of rewards to recognise long-service after the first year and at every five-year interval of their joining. A new 'refer a friend' programme is also helping us to encourage our team to bring new talent into the business.

Celebrating Clancy

We hosted our third Celebrating Clancy awards programme in July as we recognised the amazing achievements of Clancy's individuals and teams. During a particularly challenging year in which our teams had to adapt to supply chain pressures and unprecedented environmental challenges, we received over 3,000 peer-nominated entries from across the organisation. The event was a great success, allowing us to reaffirm our unique values and take time to really celebrate our people's hard work.



» Celebrating PRIDE at Glasgow Merchant City



» Electrical Apprentice - Joshua

Diversity and Inclusion

The strength of our business and culture relies on the diversity of our team. We established our Diversity and Inclusion Council and Charter in 2020, and are ensuring that employees from all backgrounds are welcomed and can succeed in our organisation.

A significant aspect of building that culture this year has been the delivery of our Diversity and Inclusion RESPECT training. Rolled out across the business in collaboration with the Supply Chain Sustainability School, this training provides managers and supervisors with the knowledge and tools to foster an inclusive, supportive and respectful culture. We have introduced a series of interactive Toolbox Talks delivered by managers to their teams to further spread the message.

Our employee-run networks have seen good results in providing peer-to-peer support. We recently relaunched our Armed Forces employee network for ex-service colleagues and serving reservists. We are now in our fourth year as a member of the Armed Forces Covenant and are proud to have maintained our silver status in the programme. We continue to support ex-service personnel by guaranteeing interviews for those with transferable skills, and providing special leave for reservists in accordance with our policies.

We also held our second annual Women of Clancy event, promoting opportunities in the sector through career profiling and professional development support, following the launch of our Women's Network last year. We have also introduced a women's mentoring programme, which has been welcomed by both mentees and mentors.

MOVEMBER®

Gro a mo, save a bro

We have been a long term supporter of Movember and the drive to raise the profile of men's health issues. This year we were delighted to match-fund direct donations that were made by our team through a combination of individual contributions.

Investing in our Systems and Processes

Driven by our family values, we want to make sure that everyone feels welcome at Clancy from day one. That is why our in-house team has developed and launched our new HR onboarding app. This app gives managers and new starters all the information and resources they need for a smooth transition into the Clancy family.

We have also increased on-the-ground assessments for new operatives to ensure they have exactly the training they need. Our managers are given greater visibility of the hiring process so they can benefit from the expertise of our central teams and specialists, while also staying hands-on and building relationships with new hires.

We have continued to develop our new HR system which launched last year to make the working day simpler and more efficient for our operatives. Now with greater functionality and automation, we are maximising technology's potential to boost our employee experience.

As part of this development, we have been preparing our new time and attendance platform, which will be rolled out this year, improving efficiency and removing paper timesheets. The data and analysis which our HR and resource management systems provide also enable greater decision making by our managers and business leaders.

HS2

Upping the PACE of community works

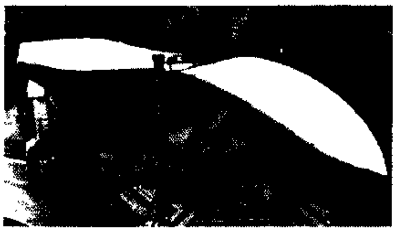
The PACE Centre is an independent special school for children aged 3-16 with neurodisabilities, including cerebral palsy. As part of refurbishment works during the school holidays, our HS2 programme team working with EKFB volunteered a day working on the outdoor areas at the PACE Centre in Aylesbury. The works included repainting of the boundary fence, re-installing garden beds, and general maintenance. This was a good opportunity to give back to the community and support those most vulnerable.

Commercial Apprenticeship

We have created an exciting three-year commercial apprenticeship, specifically designed to develop highly capable quantity surveyors. In addition to learning from our commercial experts, the apprentices spend several months in various departments such as procurement, finance, health and safety. This approach allows the apprentices to build excellent internal relationships, fully understand the business, and appreciate how their decisions and actions can impact positively or negatively. This successful programme has been highly effective in attracting and retaining early talent into our business, and specifically into a role where there is a global shortage.

» Women of Clancy event 2022

» PRIDE competition 2023



Scotland's Bravest

In 2022, Clancy worked with social enterprise Scotland's Bravest Manufacturing Company (SBMC), who give jobs for Armed Forces veterans learning to live with a disability or injury and trying to adapt to civilian life following their service. We helped SBMC, who provide engineering, road sign manufacturing and print services to clients across public and private sectors, transport wind turbine blades across Scotland. This comes as Scotland benefits from significant investment in developing the country's wind energy infrastructure.

A December dig

Clancy team members spent a day in South London constructing a pond for the local community. Earlier in the month, it was all hands on deck as the team helped with snow clearing activities, firstly with an excavator to move most of the snow and then spreading grit on the road surface to make it safe for residents.

Delivering social value

Our business model ensures that we are delivering value straight back into the communities in which we work.

The greatest factor in this is through our emphasis on direct and local employment. In total over three quarters of our people work within 30 miles of their home, minimising travel time to and from work and between jobs. This helps limit road mileage and thereby carbon emissions, as well as improving wellbeing and safety as employees spend less time on the road.

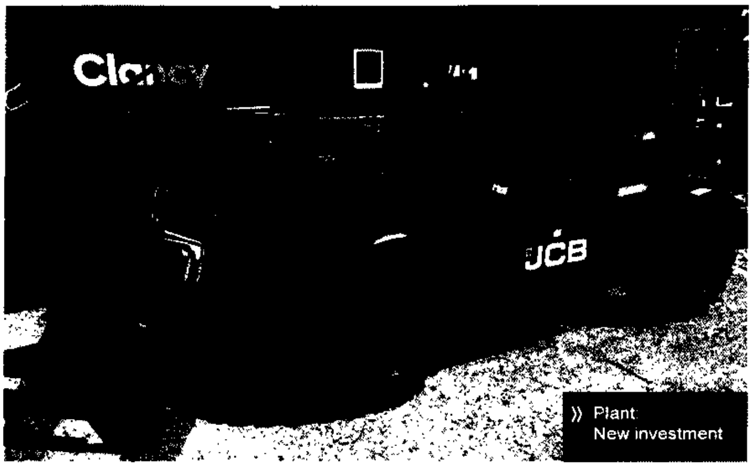
While this way of working has been constant for us, there is growing recognition of the importance of quantifying this value for us and for our clients – helping demonstrate the broad benefit of infrastructure investment to the country as a whole. Through the year we have been working with Social Value Portal to build a validated account of our social value performance. This is based on the National Themes Outcomes and Measures framework (TOMS).

This work is helping us identify further steps that we can take around people initiatives and local procurement. We are building from a strong base where 64 per cent of our suppliers are already from small and medium-sized businesses and our direct local employment is contributing over £26m of social value. Looking forward, we expect to see ever-stronger outcomes as we further embed social value evaluation in our work.

Our TOMS metrics

Through the 2022-2023 financial year, we have captured data on social value delivered through:

- The number of full-time equivalent direct local employees (FTE) hired or retained for the duration of the contract;
- The number of weeks of apprenticeships or T-Levels (Level 2,3, or 4) provided on the contract (completed or supported by the organisation);
- The number of hours of 'support into work' assistance provided to unemployed people through career mentoring, including mock interviews, CV advice, and careers guidance;
- The number of employee hours spent on local school and college visits supporting pupils e.g. delivering career talks, curriculum support, literacy support, safety talks (including preparation time);
- The number of employees on the contract that have been provided access for at least twelve months to comprehensive and multidimensional ~~wellbeing programmes;~~
- Equality, diversity and inclusion training provided both for staff and supply chain staff;
- Donations and/or in-kind contributions to specific local community projects (direct cash donations as well as materials); and
- Car miles driven using low or no emission staff vehicles included on project as a result of a green transport programme.



» Plant
New investment

The Clancy Foundation

Over and above contributions made through labour and materials through our contracts, the work of our Clancy Foundation has continued to go from strength to strength.

Through the Foundation we have made a series of donations – totalling £100,000 – to charitable causes that are close to our business and industry. These include £25,000 to the construction industry charity The Lighthouse Club and £10,000 to the Red Cross to support the victims of the Syria and Turkey earthquake in April 2023.

An important ambition for the Foundation over the year has been to expand its support for the causes that matter to our people. We have been able to contribute £57,500 to charities and local organisations put forward by our people for support, including match funding individuals' own fundraising efforts.

Environmental Sustainability

Harnessing green technology for the good of the planet is a fundamental pillar of our business strategy. Over the year we have been able to make positive steps forward to reduce our impact on the environment both in terms of decarbonisation and protecting the ecology of the areas in which we are working.

This has been supported by a strengthened team. At the start of the year we created a new Head of Sustainability role, reporting directly into the Board. We have also expanded our Environmental team with new appointments for a Head of Environmental Assurance and Head of Environment for construction projects.

The team is helping ensure environmental considerations are fully embedded throughout the business. Our Green Card training for all managerial staff has helped highlight the importance of environmental compliance and we are looking at rolling out a similar alternative out for all operational staff during the course of 2023. Pre-start activity for all projects now routinely includes requirements to assess opportunities for more sustainable outcomes through board programmes.

Decarbonising Construction

Over the twelve months we have successfully reduced our carbon emissions by 13 per cent compared to the prior year. Total emissions were 19,850.86 tonnes of CO2 (tCO2e). When normalised for turnover this gives an intensity ratio of 59.58 tCO2e per million pounds, compared to 71.48 tCO2e for the previous year. More information can be found in our Streamlined Energy and Carbon Report (SECR) on page 70.

Vehicle and Fleet transition

While the direction of travel in our emissions is very positive, we recognise that there remain major challenges to achieving the target we have set ourselves of becoming net zero in our operations by 2030. The greatest risk to this goal is around our reliance on developments in zero-emission commercial vehicles.

The scale and availability of investable technologies that can support the range and weight requirements of the construction sector remains limited, with no appropriate BEV or Hydrogen Fuel Cell Electric Vehicle (FCEV) alternatives currently on the market.

We continue to be closely engaged with leading manufacturers to actively trial new technology as it comes to market – an approach we consider essential to pave the way for future investment and play our part in stimulating overall demand. This has included trialling the second generation Mercedes eVito vans and the VW ID.Buzz to understand how they respond to demanding work patterns.

While this market transition takes place, we have continued to improve fuel efficiency through the reduction of our average fleet age and ensuring new vehicles are adaptable to lower carbon fuels.

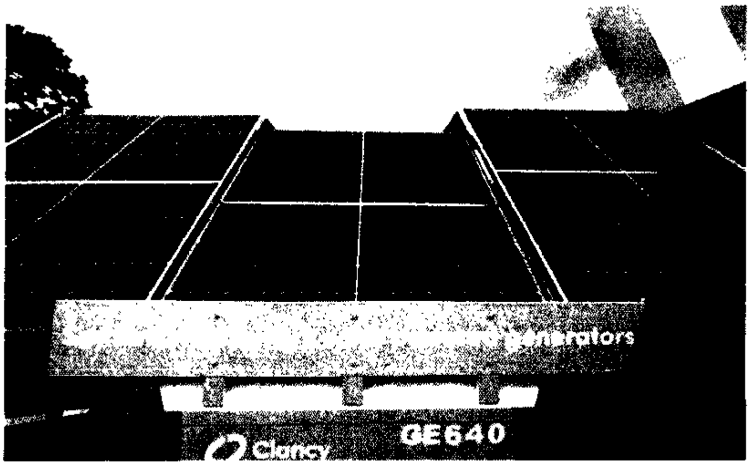
This includes a significant number of new ICE vehicles able to run on Hydrotreated Vegetable Oil (HVO) where this is practicable.

We are pleased to report very positive steps forward when it comes to our car fleet. Of 290 cars, 84 are now electric with a further 53 on order and due for delivery in the 2023-2024 financial year – equating to 47 per cent by year end. Our electric-first policy for future replacements will improve this position further as vehicles come to the end of their typical four-year lease cycle.

As well as identifying areas where we are able to transition to renewable fuel types, we are identifying how we can optimise vehicle movements. This is a complex task when taking into account the requirements but will be aided by a consolidation of our telematics – using the Matrix iQ platform – to improve our interrogation of data for road and non-road fleet.

Green Card training

We have continued to expand our Green Card training which we introduced in the previous year, extending this to all managerial staff.



Plant

All our plant and heavy goods vehicles are capable of running on HVO, enabling us to reduce carbon emissions on frameworks and projects during the financial year. We are evaluating further opportunities to roll out this fuel type with clients, recognising that the high cost of HVO remains challenging to remove in some cases.

For site equipment, we continue to invest in solar powered equipment incorporating light tower units and increasing our use of 'solar pods'. These mobile retractable solar panels include battery storage and a small back-up diesel generator to ensure security of supply. Initial data shows that these have the potential to significantly reduce carbon emissions when compared to an equivalent diesel generator. We are also deploying electric winching tools for cable pulling work.

Office Energy

Having completed a refurbishment of our head office during the 2021-2022 year, we have seen the benefits of this work now coming online and have been able to optimise the building's performance further through adjustments to the building management system, ensuring that this responds to the offices use during the working week. As at year end we are progressing plans for a 120kWp solar photovoltaic array to further reduce our carbon footprint, contributing 20-25 per cent of our electricity usage at the site over the year. Our purchased electricity is now also on a 100 per cent renewable tariff.

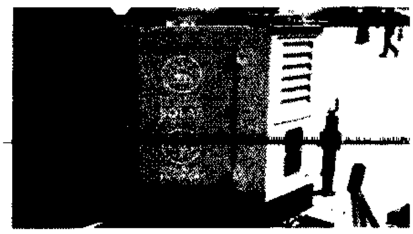
While these large-scale investments are critical to driving the overall trajectory towards zero carbon, they need to be complemented by smaller interventions. An example of this is the replacement of our entire printer fleet, resulting in 2[illegible] per cent less electricity used in printing as well as a reduction in part deliveries and maintenance-related journeys.

Materials

As a founding member of the Climate Group's ConcreteZero initiative, we are working to reduce the carbon footprint of materials used on site. A significant requirement when deploying low carbon concrete is to prove its performance relative to traditional mixes and we were pleased to successfully complete a trial in Lewes, East Sussex earlier this year using the Maturix monitoring platform with low carbon concrete to evaluate curing times without compromising on programme. We will now look to roll this method out to support our joint targets with clients for carbon reduction in materials.

We are extending that approach into other areas too, including using crushed limestone as an alternative to cement-based sand as an infill material. Across our contracts we are now routinely reusing timber, waste wood and ducting in our site set ups as noticeboards and planter boxes.

These steps are being underpinned by a culture of promoting more sustainable options from the outset of any project.



Solar array

Five per cent of our site lighting is now being powered by renewable energy from solar pods. These mobile units include battery storage and have the potential to save up to 100 tonnes of CO_2e over a six-month period.

Key Performance Indicators

The Group has consistently measured its safety, operational and financial performance over the 52-week period ended 2 April 2023.

Safety Performance

- **Service strikes:** Overall the period saw a total of 260 strikes, equivalent to a rate of 7.89 per £10m of turnover, a fall of 19 per cent compared to 9.72 in 2021-2022.

- **RIDDOR events:** Our accident frequency rate for RIDDOR injuries against hours worked for the period saw a substantial fall from 0.1 per 100,000 hours worked in the previous financial year to 0.03 in 2022-2023.

CO2 Emissions

- Our total emissions for 2022-2023 were 19,850.66 tonnes of CO_2 (tCO_2e). When normalised for turnover this provides an intensity ratio of 59.58 tCO_2e per million pounds and constitutes a reduction of 13 per cent on the previous year.

CFO's Review

Nick Blaber
Chief Financial Officer

Following two successful years, I am pleased to report that we have achieved our best ever performance in 2022-2023, with revenue up by 14 per cent to £334.5m, and pre-tax profit of £13.5m. After two years of substantial capital investment refreshing our plant fleet, a lower spend in the year helped us to achieve a cash inflow of £14.7m.

The operational review gives a detailed report of our performance in the year. Importantly, all of our mature workstreams are now operating satisfactorily and generating a positive margin.

Our profit conversion to cash has remained strong in the year, underpinned by a continued commitment to exceptional client service.

At the reporting date, the net assets of the Group had a value of £54.5m (2022: £46.1m). The movement is made up of the profit for the financial period, movements in the defined benefit pension scheme, dividends paid and changes to the capital structure.

Capital investment

Capital investment in the year reduced from £19.2m to £3.2m, as anticipated in last year's report. This reflects the high level of investment in the two preceding years, meaning that we started the year with a young plant and vehicle fleet. Nonetheless, it was a busy year for asset replacements, and we bought 112 new vans, six new HGVs and two large excavators into the fleet. Importantly, our confidence in our order book means that the investment continues and we start the new year with plans for another £20m of investment.

We previously reported our commitment to electrifying our fleet, but the impact of the components shortage on delivery times has been frustrating. Our patience has been rewarded with 20 fully electric vehicles delivered in the year, with a similar number still on order at year end.

Financial performance summary

	2023	2022
Revenue	£334.5m	£293.0m
Gross profit/(loss)	£34.9m	£28.0m
Profit/(loss) after tax	£11.4m	£9.1m

Cashflow summary

	2023	2022
Cash and cash equivalent at the start of the period	£28.2m	£21.9m
Net cash inflow from operating activities	£20.1m	£15.2m
Net cash generated from / (used in) investing activities	£0.8m	(£5.2m)
Net cash (used) in financing activities	(£6.3m)	(£3.7m)
Cash and cash equivalent at the end of the period	£42.9m	£28.2m

Summary financial position

	2023	2022
Net current assets	£27.8m	£15.4m
Net assets	£54.5m	£46.1m

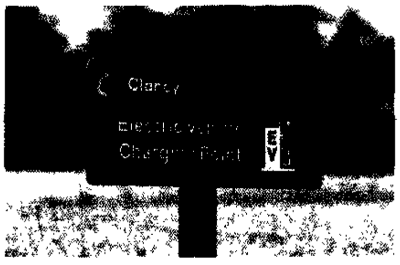
)) Investing in green technology

Financing

During the year the Group operated without borrowing facilities, with the strong liquidity position meaning none were required. The Group's principal financial instruments comprise of hire purchase and leasing liabilities which are due after one year. Credit and cash flow risk from trade receivables and amounts recoverable on contracts are managed through policies on payment terms, and regular reviews of the balance and age of amounts outstanding. Liquidity risk in respect of trade payables is managed by ensuring sufficient funds are available to meet amounts falling due.

Pension scheme

We reported last year that the final salary pension scheme deficit had been extinguished, with the scheme now showing a surplus. This surplus has increased in the year, and accordingly the trustees agreed that no further company contribution was required in the year. The long term aim of the Directors remains to pass the scheme to an insurance company. This may require a further cash contribution from Clancy at that point, and will also produce an accounting loss as the surplus is reversed.



Fleet investment

Through the year we have received further deliveries of electric company cars. Further orders to follow in the 2023-2024 year will see electric cars forming just under 50 per cent of the fleet, where we are now operating an electric-first policy as the default for further replacements.

Tax

Our corporation tax charge for the year of £2.1m largely reflects the impact of improved trading, with some impact from adjustments for prior periods. More detail is provided in note 11 to the financial statements. Of equal importance, our total tax contribution for the period was £23.4m. The rise over the prior year is due to our increased revenue and the corresponding step-up in VAT, PAYE and NIC collected.

Depotnet

We have continued to invest in new works management systems that help us reduce trips to site – improving efficiency and reducing travel emissions. Having adopted the Depotnet platform on our telecoms activity, we are now expanding its use into other water and energy contracts while ensuring we remain fully integrated with the requirements of different client reporting systems.

Going concern

The Directors have considered the appropriateness of preparing financial statements on a going concern basis and have concluded that they are confident that the business meets these criteria. In reaching this conclusion, the Directors considered:

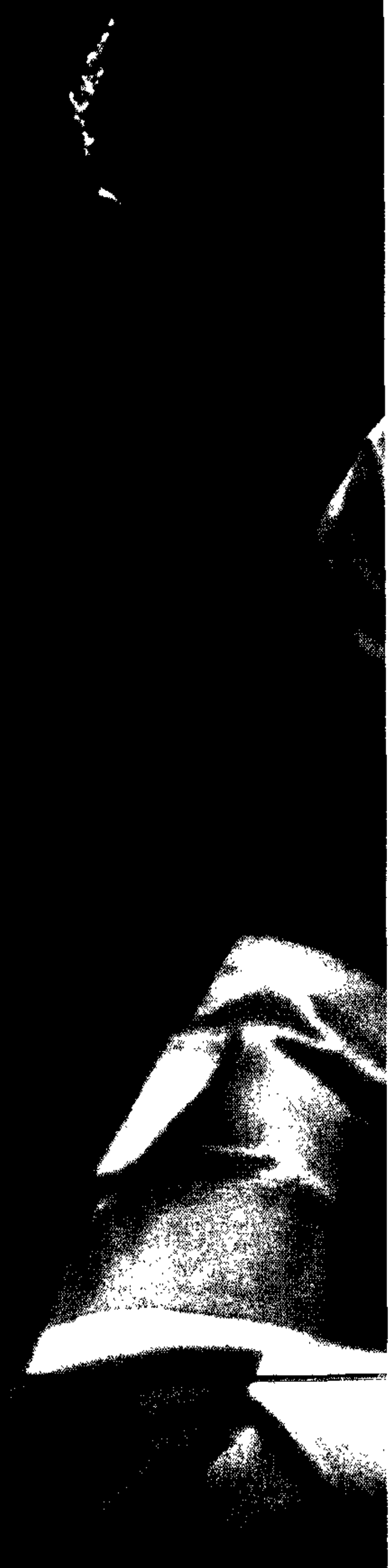
- Liquidity. The business started the 2023 2024 financial period with cash balances of £42.9m and no net debt.
- Consideration of the Group's forward-looking forecasts covering the period to 31 March 2024 as well as long term forecasts covering the period to March 2025, based upon the Group's 5-year long range plan, being the periods that the Directors believe is the most appropriate to assess with any certainty at this time. These forecasts were then high-level stress tested based on a worst case and reasonable worst case trading scenario to identify what impact each of these scenarios would have on the Group's cash flow and financial position. Neither case resulted in the Group requiring any mitigating factors, such as raising third party debt to continue with its existing business operations and even under the worst-case scenario significant cash balances of circa £31m were retained;
- The existence of further cash the business expects to unlock from specific contracts which have high receivables balances, which the Directors consider are collectable;
- The nature of our contracts and customer base, which provides a relatively predictable baseline revenue level even during the recent lockdowns. In addition, we are seeing strong demand for infrastructure investment and expect to have opportunities to take on additional work in the coming months, both from existing and new clients, and
- The low bad debt exposure resulting from working mainly for regulated utility providers.

This Strategic Report was approved by the Board of Directors

Ken T Clancy

K T Clancy
Director

Date: [illegible] August 2023



GOVERNANCE REPORT


HS2

Our Governance

Dear Shareholder

I am pleased to introduce the Group's corporate governance report. My key responsibilities include ensuring that the Group maintains high standards of corporate governance and to review the corporate governance structures, including the various Board committees, to ensure that they continue to be appropriate to the size and complexity of the Group as the business evolves.

As Chairman, I lead the Board of Directors and have primary responsibility to provide the necessary leadership, input and guidance to the Company and the Board in maintaining and then growing the level of sustainable profitability that creates long term shareholder value. I also have responsibility for steering the Board agenda to ensure that it focuses on the important operational, financial and strategic matters.

The current Board has the appropriate blend of skills, capabilities and experience to deal with the challenges faced by the business. Industry knowledge, supported by financial experience, is particularly important for the Group at this time of global uncertainty resulting from high inflation, the war in Ukraine and supply shortages.

The Board is in turn, supported by significant expertise within our wider leadership team including a series of new appointments and internal promotions to energise our future strategy.

The Board has adopted The Wates Corporate Governance Principles ("the Principles") which support the Group's approach to managing risks and transparent communications with stakeholders. As a Board, we believe that by complying with the Principles, the Group has an appropriate level of governance for its current stage of development, as well as providing a suitable framework in the medium to long term. Where appropriate, this corporate governance statement and report has been prepared to comment on the application of the Principles and to address the disclosure requirements recommended by it.

In keeping the corporate governance structures under review during the period we have continued to recognise the importance of the Audit and Risk, Remuneration, Nomination and Capital & Investment Expenditure Committees. We have reviewed the terms of reference for the Remuneration Committee and annually, we will be reviewing the terms of reference for the Audit and Risk, Nomination Committees and Capital & Investment Expenditure Committees.

We have also reviewed the list of matters specifically reserved for decision by the full Board.

Overall, this structure will ensure proper independent scrutiny and challenge and support the delivery of the growth strategy.

During the period, the Group's corporate governance arrangements were unchanged with the structure and members of the Board and committees remaining the same.

Kevin Clancy
Chairman

Governance Report

Dear Shareholder,

The Board is responsible for ensuring the highest standards of corporate governance and for promoting Clancy's long term success.

The roles of the Chairman and Chief Executive Officer are separate with each having clearly defined duties and responsibilities.

The Chairman provides leadership to the Board. He is responsible for chairing the Board meetings and for setting the agenda for the Board meetings in consultation with the Chief Executive Officer and for ensuring that the Board has sufficient time to discuss issues on the agenda, especially those relating to strategy.

The Chairman is also responsible for ensuring that the Directors receive all the necessary information and reports.

He is also responsible, along with the Chief Executive Officer, for ensuring that the appropriate standards of corporate governance are effectively communicated and adhered to throughout the Group.

The Chief Executive Officer is responsible for leadership of the Group's management and its employees on a day-to-day basis. In conjunction with the Operating Board, the Chief Executive Officer is responsible for the implementation of Board decisions.

During the financial period, the composition of the Board has been unchanged. As of the date of this Annual Report, the Board comprised the Chairman (Kevin Clancy), two Executive Directors (Matthew Cannon and Mick Blakey) and two Non-Executive Directors (Phil Gray and Mary Clancy).

Details of each Director's background and experience can be found on pages 28-29.

The Board's mix of skills and business experience is important to the Company at this stage of its development and ensures an informed review and debate of performance and strategy. Each Director is responsible for keeping their skills up to date and commensurate with being a director of a listed company. The Board continues to have strict control over key areas of expenditure, specifically through its budgetary process and through controls utilised by the Capital & Investment Expenditure Committee. For HR, the approval of all senior roles prior to appointment is managed through the Nominations Committee and for agreeing remuneration packages or salary changes above a specific base salary, these are reserved for the Remuneration Committee. This helps to ensure a high level of diligence in key revenue, capital and people decisions.

The Board meets regularly and the Directors are supplied with a comprehensive Board pack prior to each Board meeting, which includes the agenda, previous minutes, detailed financial information, an action list maintained by the Company Secretary and all other supporting papers necessary to have a fully informed discussion. The Board ensures that the necessary decisions are being implemented and the necessary investment is made to achieve the Group's strategic priorities.

Day to day, operational and financial management is delegated to the Operating Board who ensure that the Board is kept up to date on operating activities and any issues that the Operating Board is facing. The Operating Board meets monthly and key functions provide the Board with detailed monthly reports.

The Board meets regularly and there were twelve scheduled Board meetings during the period.

Any specific actions arising during meetings agreed by the Board are followed up and reviewed at subsequent Board meetings to ensure their completion. The Board also keeps in close contact between formal meetings and conducts ad hoc meetings as required. If a Director is unable to attend a Board meeting, the Chairman will canvass his or her views in advance and ensure that the Director is promptly advised of the outcome of the matters under discussion.

All Directors act in the best interests of the Company consistent with their statutory duties.

The business at each scheduled Board meeting includes regular reports from the Chief Executive Officer and the Chief Financial Officer covering business performance, markets and competition, health and safety as well as progress against strategic objectives and Capital Expenditure and Investment projects. The Board also considers reports and receives in-person presentations from functional heads from across the Group.

The Board has delegated certain responsibilities to the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee and Capital & Investment Expenditure Committee. Each Committee operates according to its own terms of reference.

The Audit and Risk Committee has primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of Clancy is properly measured, ensuring the integrity of the financial statements, and reporting and reviewing reports from Clancy's auditor relating to Clancy accounting and internal controls, in all cases having due regard to the interests of shareholders. Further information on the Committee is set out in the relevant report on page 31.

The Remuneration Committee determines remuneration for the Executive Directors and senior managers in the Group. Further information on the work of the Committee is set out in the Directors' Remuneration Report on page 32.

The Nomination Committee recommends the appointment of Directors and senior executives and is responsible for succession planning. Further information on the work of the Committee is set out in the Directors' Nomination Report on page 32.

The Capital & Investment Expenditure Committee reviews the annual capital expenditure budget and annual investment expenditure budgets and prepares the submissions for approval by the Board in addition to monitoring the ongoing transactional performance throughout the year ensuring compliance with the agreed annual budget. Further information on the work of the Committee is set out in the Directors' Capital & Investment Expenditure Report on page 33.

The Group has in place a system of internal financial controls commensurate with its current size and activities.

The Board has overall responsibility for the Group's system of internal controls to safeguard the Group's assets and shareholders' interests. The risk management process and systems of internal controls are designed to identify the main risks that the Group faces in delivering its strategy and growth plan and to ensure that appropriate policies and procedures are in place to minimise these risks to the Group, including the establishment of appropriate business continuity planning arrangements. The Group maintains a risk management register which is reviewed and discussed every six months with the Operating Board and the Chairman of the Audit and Risk Committee.

The Board has considered the effectiveness of the internal controls in place for the period ended 2 April 2023 and up to the date of the signing of the Annual Report and Accounts. The Board will continue to develop and implement internal control procedures appropriate to the Group's activities and scale.

The Board recognises that an essential part of its responsibility is the effective safeguarding of assets, the proper recognition of liabilities and the accurate reporting of results.

The Group has a comprehensive system for regular reporting to the Board. This includes monthly management accounts, functional reports and an annual planning and budgeting process. Financial reporting compares results against budget and against the prior year, and the Board reviews its forecasts for the financial year on a regular basis.

The Board has established a formal policy of authorisation setting out matters which require its approval and certain authorities which are delegated to the Executive Directors and members of the Operating Board.

Ian Gray is considered an independent Non-Executive Director and provides a suitable balance between the Executive and the Directors.

Critical to delivery of growth of the business is ensuring that the Group has the right culture in the business. At the heart of the plan is local responsibility and accountability for the performance of each site, office and depot. The Group is also committed to the highest standards of health, safety, environment, corporate and individual conduct. The Board and senior management assist in supporting and reinforcing this culture through their own personal behaviour and commitment, by being highly visible in the business, by making timely and informed decisions and by adopting an attitude of continuous improvement.

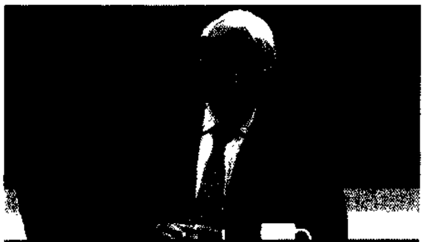
A description of the Group's strategy can be found in the section on strategic objectives on page 6.

Kevin Clancy
Chairman

Meeting Attendance	Board	Audit & Risk Committee	Remuneration Committee	Nomination Committee	Capital & Investment Expenditure Committee
No. of meetings	**12**	**4**	**8**	**5**	**7**
Kevin Clancy	12	4	8	5	4
Matthew Cannon	11	-	-		6
Nick Blaber	12	-	-	-	7
Ian Gray	12	4	8	5	-
Mary Clancy	12	2	7	4	-
David Pegg	-	-	-	-	7

Our Team

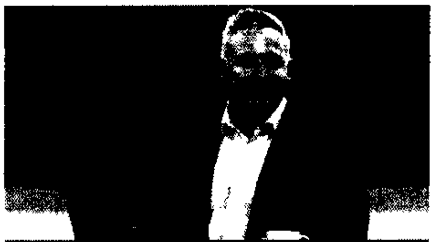
Clancy Group Holdings Limited



Kevin Clancy
Chairman

Kevin has worked at the business founded by his father MJ Clancy since 1968, assuming leadership as Joint Managing Director with his brother Dermot in 1984.

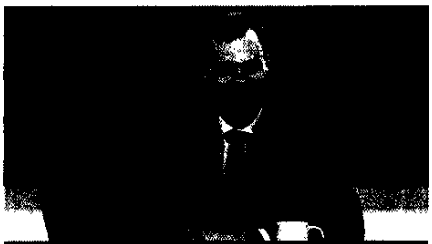
Since then, with Dermot and Mary, Kevin has led the company's growth to become one of the largest privately owned construction businesses in the UK. Kevin and Dermot became Joint Chairmen in 2012 until Dermot's untimely death in late 2019, since which Kevin has continued to lead the business and the company's Board.



Matt Cannon
Chief Executive Officer

Matt was promoted to the role of Chief Executive Officer at Clancy in early 2019 following a 15-year career in the business founded by his grandfather Michael.

Since then, he has overseen the establishment of a new leadership team and led the creation of our refreshed vision and strategy.



Nick Blaber
Chief Financial Officer

Nick joined Clancy in 2017 after moving from senior roles within one of the business' longstanding clients Thames Water.

Working with the Executive team as part of the Board, he has been instrumental in delivering the business' strategy of financial resilience and investment for the future.

Mary Clancy
Non-Executive Director

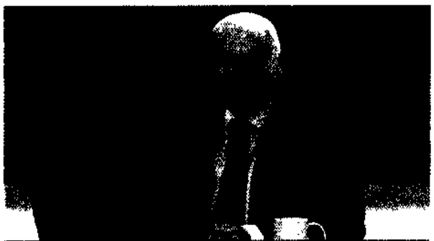
Mary joined her brothers Dermot and Kevin in the family business in 1974 and is a Non-Executive Director.

She also chairs the Clancy Foundation.

Ian Gray
Non-Executive Director

Ian was appointed Clancy's first independent Non-Executive Director in 2018 as part of the transition to a new generation of family ownership. Since then, he has worked with the Board to establish the new group structure and sits as chair of the Audit & Risk, Remuneration and Nomination Committees.

Outside Clancy, Ian is a Director of several companies and has experience advising companies within many sectors.

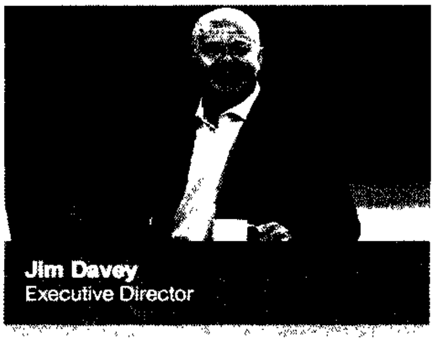


David Pegg
Company Secretary

David joined Clancy in 1996 and has acted as Company Secretary for all companies within the Group since 2004.

He also has overall responsibility for insurance, payroll, facilities, security and corporate governance.

Executive Directors of The Clancy Group Limited



Matt's 25-year career at Clancy has seen him progress from operational roles to overseeing the performance of a portfolio of water, civil engineering contracts across the South and more recently, telecoms.

His clients include Thames Water, Southern Water, SES Water, South East Water, and Scottish Water.

Jim works alongside Matt Bailey and oversees the performance of our water, energy, traffic management and civil engineering business in London, East Anglia and the North of England.

His portfolio of clients includes Anglian Water, UK Power Networks, HS2 and Northern Powergrid.

Ronan was appointed to Clancy's Executive Board in April 2021 to head up the business' focus on sustainable growth within our core business of water and energy, alongside developing new opportunities in adjacent markets.

As an Executive Director his position supports the ongoing transition to a third generation of family leadership.

Audit & Risk Committee Report

Dear Shareholder

This report provides an overview of how the Committee operated, an insight into the Committee's activities and its role in ensuring the integrity of the Group's published financial information and ensuring the effectiveness of its risk management controls and related processes.

The membership of the Committee which remained unchanged during the period under review, comprises three Non Executive Directors, Ian Gray as Chairman, Kevin Clancy and Mary Clancy. The Committee members have been selected with the aim of providing the range of financial and commercial expertise necessary to meet its responsibilities. The Board is confident that the collective experience of the Audit and Risk Committee members enables them to function as an effective Committee.

The Committee had four meetings during the period under review. The attendance by members is on page 28. I report to the Board, as a separate agenda item, on the activity of the Committee and matters of relevance and the Board receives copies of the Committee minutes. Attendance at meetings of the Committee by non members is by invitation and at the discretion of the Committee. The Chief Financial Officer and the external auditor are invited to attend some meetings of the Audit Committee. The Committee also regularly meets separately with the Chief Financial Officer.

The main duties of the Audit and Risk Committee are reviewed annually and are set out in its terms of reference which have been agreed with the Board.

In the period under review Committee discussions included the following key items:

- Review of 2022 Annual Report and Accounts Financial reporting;
- Audit and Risk Committee Terms of Reference;
- Authority matrix;
- Whistleblowing;
- Banking risks;
- Review of the Group risk register; and
- External audit plan and strategy for 2023 Annual Report and Accounts.

The Company's Whistleblowing Policy was updated during the year and encourages and protects legitimate whistleblowing. An independent third-party whistle-blowing helpline number, secure web portal and mobile app, allows employees to report concerns about business practices or individuals who may have acted improperly. All contacts are treated confidentially and anonymously if preferred. All whistleblowing is reported to the Chairman of the Audit & Risk Committee.

The Company continues to separate the provision of external audit and annual tax compliance services.

The Company's policy on auditor rotation is to ensure that at least once every ten years the audit services contract is put out to tender to enable the Audit and Risk Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms. Where such a tender takes place the Committee will oversee the selection process and ensure that all tendering firms have such access as is necessary to information and individuals during the duration of the tendering process. **During the year the Committee recommended the re-appointment of PricewaterhouseCoopers LLP ('PwC') as auditor.**

To ensure the auditor's independence and objectivity, the Committee annually reviews the Group's relationship with the auditor, and the auditor is required to review and confirm its independence to the Audit and Risk Committee on a regular basis. The Committee is satisfied that the relationship between the Company and PwC is suitably independent.

In advance of each audit, the auditor will prepare an audit plan which sets out the scope of and approach to the audit, significant risks and other areas to be targeted. This plan is reviewed and agreed in advance by the Audit and Risk Committee. Following their review, the auditor presents its findings to the Audit and Risk Committee for discussion.

Ian Gray
On behalf of the Audit and Risk Committee

Remuneration Committee Report

Dear Shareholder

Our approach to remuneration aligns the interests of the Executive Directors and Senior Management Team to the shareholders. Our approach is to attract and retain the best possible people who have the capacity and drive to meet the Group's strategic and financial objectives. To achieve this, we offer them a basic salary and pension contribution that is fair, reasonable and affordable for the Group. They are incentivised to deliver profitability and cash generation by way of a discretionary annual bonus scheme and other long term incentives plan, which rewards the achievement both of annual targets and creation of value over the longer term.
The Remuneration Committee determines the remuneration packages for the Executive Directors and senior managers, and any major remuneration plans or policies for the Group. This includes implementation of long term incentive plans. The Committee's role is to ensure that the principles of the Group's Remuneration Policy are aligned with the business strategy and promote long term shareholder value. The Committee's terms of reference were reviewed during the year.

The Board has delegated certain responsibilities for Executive Directors' remuneration to the Remuneration Committee. The membership of the Committee, which remained unchanged during the period, comprises three Non-Executive Directors: Ian Gray as Chairman, Kevin Clancy, and Mary Clancy.

The Remuneration Committee meets according to the Group's requirements and there were eight meetings held during the period under review. Attendance at meetings of the Committee by non-members is by invitation and at the discretion of the Committee Chairman only and may include the Chief Executive Officer and HR Director.

The main duties of the Remuneration Committee are set out in its terms of reference, which have been agreed with the Board. The main items of business considered by the Remuneration Committee during the period under review included:

- Review of remuneration strategy and policy;
- Review of Salary for all employees in light of economic conditions;
- Review of annual bonus payments;
- Review of proposed salary variations according to pre-determined thresholds;
- Review of private medical insurance provider;
- Review of proposals to introduce financial wellbeing products to employees, and
- Critical illness claims

Executive Directors hold a service agreement with an indefinite term and a fixed maximum termination period of twelve months for the Chief Executive Officer, and six months for other Executive Directors. Any payments in respect of termination reflect base salary only and do not include an annual bonus.

The Group's policy on the setting of notice periods under the Executive Directors' service agreements is considered to be in line with external market trends and is reviewed by role to protect the Group's knowledge and operations. Only the Remuneration Committee can authorise Executive termination payments.

Each of the Executive Directors are eligible to participate in a discretionary annual bonus scheme and long term incentive plan, should one be put in place for any given period. All bonus payments are at the discretion of the Board and subject to such conditions, including profit after tax, as the Board may determine.

Pay for all other employees is based upon external market rates, job role, internal comparators and business impact.
Both Clancy's financial and operational performance and each person's personal performance are also considered when setting salaries.

Ian Gray
On behalf of the Remuneration Committee

Nomination Committee Report

Dear Shareholder,

This report provides an overview of how the Committee operated and an insight into the Committee's activities. The Committee is responsible for reviewing the composition of the Boards and the Senior Leadership Team. It also considers succession planning and training.

The membership of the Committee, which remained unchanged during the period under review, comprises three Non-Executive Directors: Ian Gray as Chairman, Kevin Clancy, and Mary Clancy.

The Committee had five meetings during the period under review. Attendance at meetings of the Committee by non-members is by invitation and at the discretion of the Committee Chairman only and may include the Chief Executive Officer and HR Director.

The main duties of the Nomination Committee are set out in its terms of reference, which have been agreed with the Board. We monitor and regularly review the structure, size, and composition (including the skills, knowledge, experience and diversity) of the Senior Leadership Team and make recommendations for changes. We consider succession planning for Directors and other Senior Executives and the skills and expertise needed in the future.

In the period under review the Committee discussions included the approval of following new roles including:

- Director of Bidding;
- Operations Director for Southern based civils work;
- Head of Environmental Projects;
- Head of Environmental Assurance;
- Head of Design and Pre-construction;
- Head of IT; and
- Head of Supply Chain

Ian Gray
On behalf of the Nomination Committee

Capital & Investment Expenditure Committee Report

Dear Shareholder,

This report provides an overview of how the Committee operated and an insight into the Committee's activities. The Committee is responsible for reviewing the annual capital investment and expenditure budget in detail and preparing the submission for approval by the Board and monitoring the ongoing transactional performance throughout the year ensuring compliance with the agreed annual budget.

The membership of the Committee, which remained unchanged during the period under review, comprises four members: Kevin Clancy, Matt Cannon, Nick Bisher and David Pegg, with the Chairman of the Committee being Kevin Clancy.

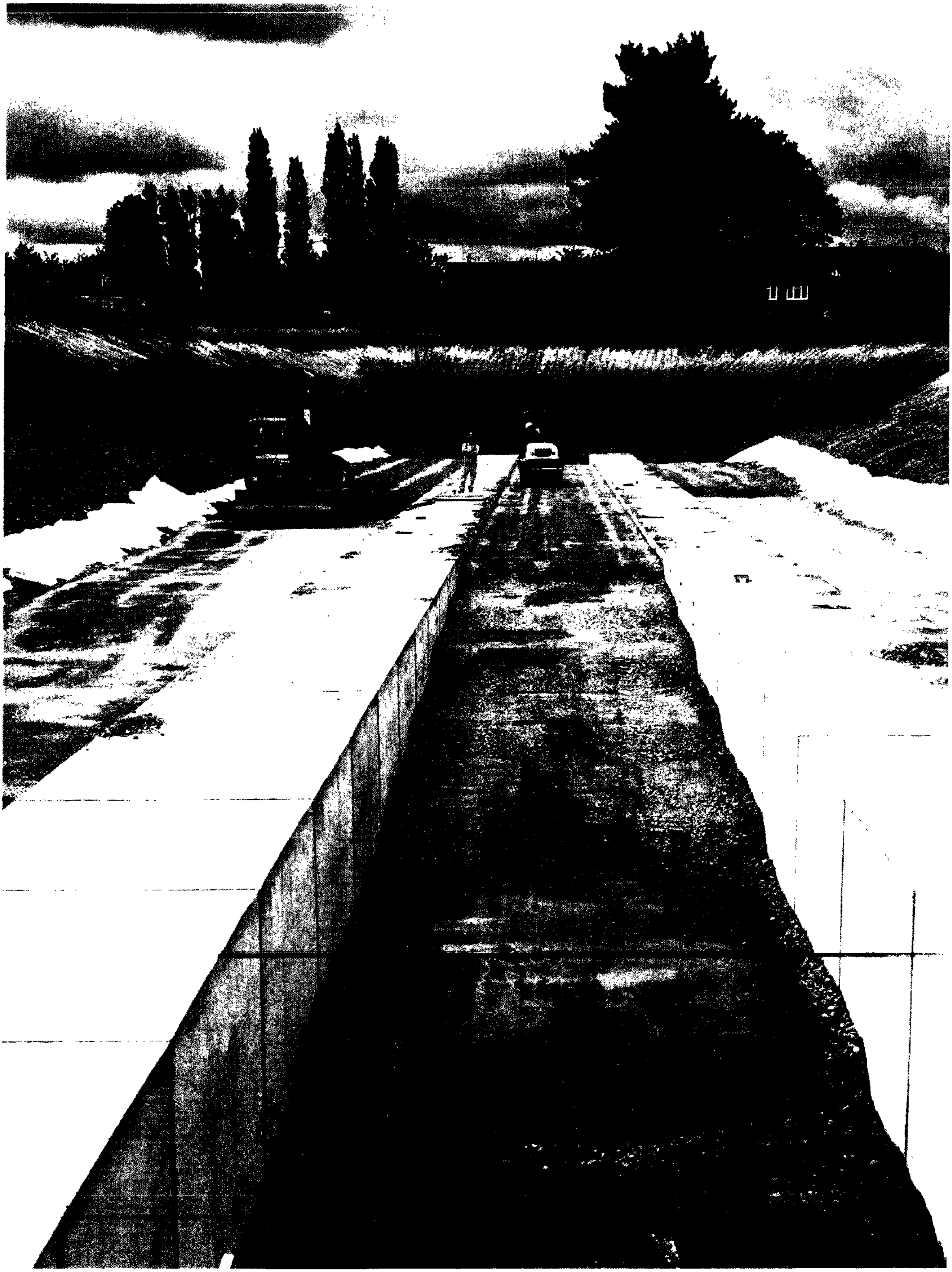
The Committee had seven meetings during the period under review. Attendance at meetings of the Committee by non-members is by invitation and at the discretion of the Committee Chairman only, and may include Plant, Traffic Management, and IT Directors.

The main duties of the Capital & Investment Expenditure Committee are set out in its terms of reference, which have been agreed with the Board. We consider and approve, if appropriate, all capital expenditure and investment proposals contained within the original annual capital expenditure budget up to a specific value. We consider and make recommendations to the Board for all capital and investment expenditure proposals above a specific value that are not contained within the original annual capital investment and expenditure budget. Additionally, we monitor and regularly review the performance of capital expenditure and investment expenditure against original projections.

In the period under review the Committee discussions included the following key items:

- Annual capital expenditure budget for 2023 2024
- Proposals and any items of expenditure during 2022 2023 period; and
- Consideration of systems investment

Kevin Clancy
On behalf of the Capital & Investment Expenditure Committee



S172 Statement

Statement of Director's duties to stakeholders

In accordance with Section 172 of the Companies Act 2006, the directors report that they have discharged their responsibilities in the following areas:

As a family-owned business operating mainly under long term contracts, the Group is run in the interests of long term resilience and success.

The Directors always consider the possible long term consequences of any proposed course of action, including safety and financial impacts and reputation with all stakeholders. The Directors believe strongly that the long term relationships that we have with most of our clients, have enabled the business to deal with the twin challenges of rising cost inflation and a competitive labour market during the period ended 2 April 2023.

Clancy takes a long term approach to employment, with many long-serving employees and employees coming from the same families. Throughout 2022 and 2023 we have continued to build on the initiatives we established in the previous period.

A series of live presentations were made by the Executive team and senior managers via Microsoft Teams, to the entire workforce to update on business performance and current initiatives from both an operating and wellbeing perspective. These are now established on a quarterly basis.

Health and Safety is an integral part of the operations of the Group and ensuring that our workforce and members of the public are kept safe is paramount and a priority in all our daily activities. During the reporting period the Group held its first virtual Health and Safety Conference entitled Raising the Bar which included keynote external speakers bringing their relatable Health and Safety experiences from the worlds of Formula 1 and Occupational Health.

The company has also continued its programme of engagement with the workforce regarding wellbeing in the workplace. During the first full year of operation of the Group's Health and Wellbeing Council the Clancy Cares Calendar updated on a number of key health issues including Mental Health, Menopause and Prostate Cancer.

As stated, 2022/2023 has been characterised by the rapid rate of inflation faced by the UK economy. The financial impact of this increase on employee wellbeing has been a key concern for the Directors during the period and in July 2022 the Board announced a one-off cost of living payment for those employees likely to have been most seriously impacted. The payment, made equally in November and March totalled approximately £1m and covered more than 80% of all employees.

"Celebrating Clancy" is the Group's platform for giving recognition to those demonstrating the behaviours and values we champion. Each business area nominates and chooses its winners, who then progress to a group stage where overall winners are chosen. The local award winners for 2022/2023 were announced in March 2023 and we held an enlarged ceremony celebrating the national winners in July for the previous financial year.

The Group specialises in working with regulated utilities, where contracts typically run for at least five years and relationships often far longer. The Group enjoys constructive relationships with its clients based on the values that have long been part of who we are. We aim to have multiple points of contact with each client to ensure that we remain aligned with their expectations. Our independence as a business allows us to prioritise senior relationship-building, making sure that we are accessible, and committed to doing what we say.

Our supplier base is wide and includes frameworks negotiated by our clients as well as ourselves. As with our clients, many relationships are long-standing, and we recognise the importance of our supply chain to the success of the business. We aim to treat all suppliers equally and most importantly to pay them in line with contractual terms. The Group offers support to its smaller subcontractor base through offering early payment terms where possible, a scheme which the Directors are pleased to report has seen further uptake in the financial year.

In addition, our published Payment Practices and Performance reports show that we improved the average time to pay suppliers from unrelated companies for the period October 2022 to March 2023 from 44 to 39 days and that 8[illegible]% were paid within terms over the same period compared to 81% for the same period last year.

Community impact is of increasing importance to our utility clients, and we would not be successful in this area if we were not contributing positively to their performance.

We continue to focus on:

- Providing exemplary levels of service to our clients' customers and the wider community;
- Minimising the impact of our works (which can by their nature be inherently disruptive);
- Providing the operational response to keep our clients' customers in supply at any time in any conditions; and
- Reducing the number of environmental incidents.

In 2020/2021 we launched the Clancy Charitable Foundation, with the aim of investing more directly in the communities where we operate. During the year, the company contributed a further £100k to the Trust which during the year has made donations to both international aid programmes, including Ukraine and Turkey, as well as supporting local communities through donations to foodbanks and local charities.

The most critical area of our activity around environment sustainability is a focus on the reduction of carbon emissions. It is also the most challenging. While we have seen significant success in reducing our footprint over the year, we recognise that significant investment will need to be maintained to achieve industry-wide net zero targets.

Over the twelve months, we have successfully reduced our carbon emissions by 13 per cent compared to the prior year.

This reduction reflects investment that we have made in our building premises, our shift to electric company cars and a newer efficient commercial fleet, as well as an increase in our portfolio of capital works which require less road mileage.
As part of our commitment to putting the environment at the forefront of our operations we have also added two further senior appointments during the year to our environment and sustainability team.

As outlined in the statements above, the shareholders and Directors of the Group place a high value on the reputation of the business which is primarily influenced by the conduct of its officers.

This is best summed up by the value 'we do what we say,' and this is the standard that the Directors apply to themselves and to others in the organisation to judge what is appropriate. Within contracting, there will always be a tension over how contracts are won, interpreted, and applied, and the tight margins of the sector mean that we need to be commercially robust. However, we believe that the length of our client (and supplier) relationships best demonstrates that we usually strike the right balance.

The shareholders of the Group are all members of the Clancy family but have differing levels of involvement in the running of the business. Fair and equal treatment is achieved via the following mechanisms which remain in place:

- A Shareholders Agreement is in place for Clancy Group Holdings Limited, along with the memorandum and articles, defining the relationship between shareholders and the business;
- A designated Family NED sits on the Clancy Group Holdings Company Board and is the independent conduit for family questions or concerns;
- The Annual General Meeting includes an update from the Directors to members or their representatives on the performance and plans of the business and allows them to question management; and
- A Family Assembly takes place annually, attended by all family members (shareholders or not) and the Board. This meeting receives a presentation from management on company performance, and again invites questions.

The Board Nominations Committee, composed of two family NED's and one independent NED, approves the appointment of any family members to posts within the Group, and the Remuneration Committee approves their terms and conditions.

During the financial year the Group engaged with an external consulting firm who commissioned a survey with family members to understand their needs and future expectations so that structures can be put into place to align the Group's longer term strategies to align with these expectations.

The business operates in a contracting environment that carries certain inherent risks, and global events over the recent period have been a reminder that not all risks can be anticipated. The Company however maintains a register of known likely risks and reviews its responses periodically to ensure that it is operating within its risk appetite. This process is overseen annually by the Audit & Risk Committee along with a review of risk.

Safety
The Group's activities by their nature can be hazardous and the Group continuously monitors its health, safety and environmental performance through regular audits and data analytics. Failure to manage these risks adequately would expose the Group to both reputational damage and financial liability.

At all board, executive and operational meetings, health and safety is the first item on the agenda. The board focuses on our health and safety culture, with zero tolerance of unsafe behaviour, and ensuring that its workforce is trained to undertake our work safely.

Contract risk
The Group has both long term and short-term contracts which expose the group to a range of risks. Failure to manage these could expose the business to financial loss or reputational damage.
The Group's largest client sector is the regulated water sector, which works to 5-year business plans defined by regulatory price controls and typically aligns its contracting arrangements with these periods. We maintain a long forward order book with most of our work secured through multiyear frameworks. Although these term contracts typically have no guaranteed revenue levels, the length of the contracts allows us to develop mature client contractor relationships and deal with contractual issues as they arise, building further on the collaborative approach we adopt with many of our clients.

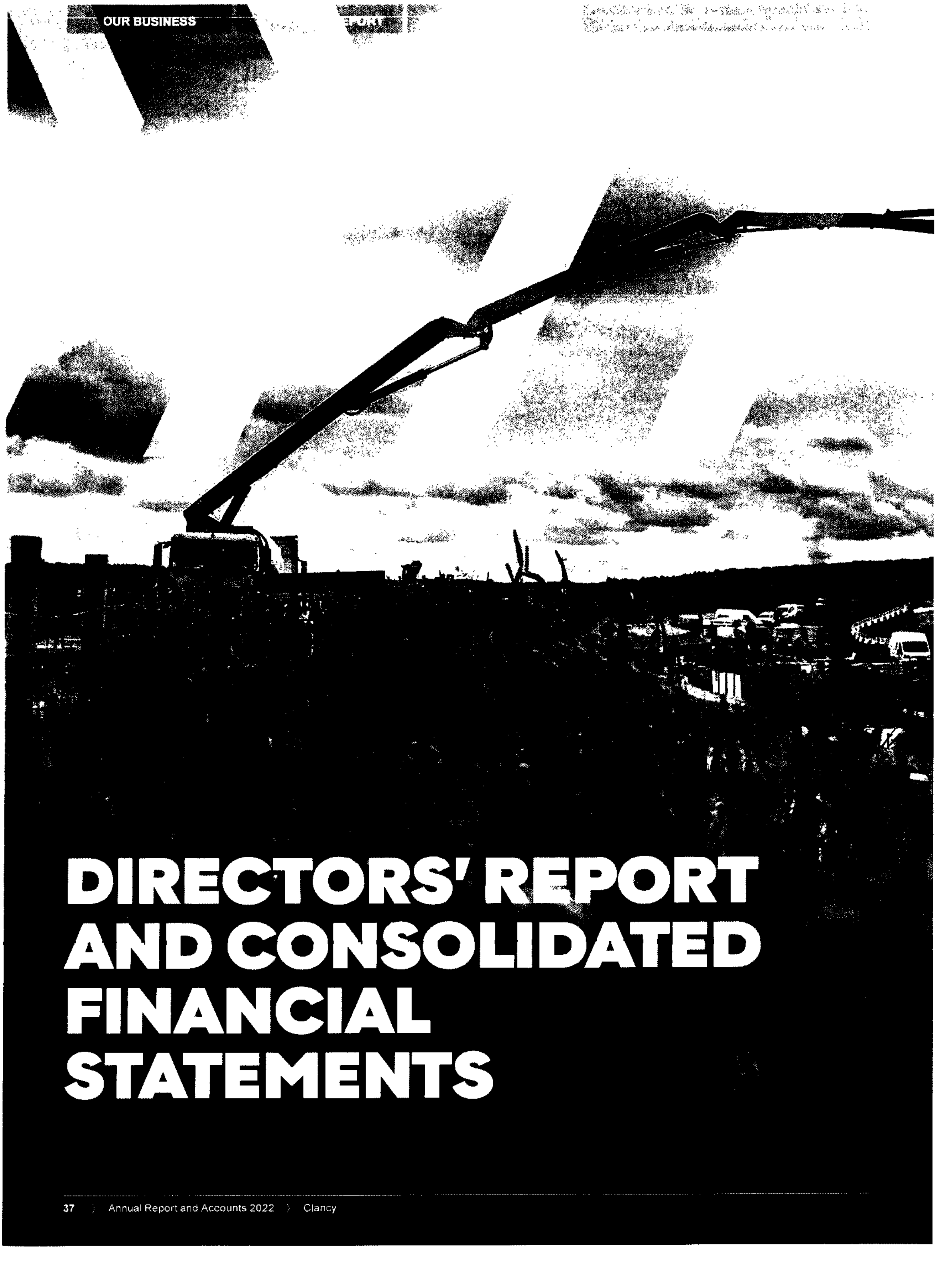
Contracts in progress are reviewed cumulatively and end life forecasts maintained to identify potential overruns or losses. Where identified, any anticipated loss is recognised in full.

People
The Group depends on its Executive team, management and its highly skilled and motivated workforce. We operate in an environment where ongoing investment in infrastructure and labour shortages across the economy are creating an increasingly competitive market for talent. The Group measures staff turnover and continually reviews ways to retain and attract talent. We continue to develop and promote talented people within the organisation, as well as sourcing skills externally.

Inflation
During the financial year all sectors of the economy are experiencing high levels of inflation. Contractual mechanisms allow the business to mitigate some of the financial impact, but the Group is aware that continued rises will affect the business, our clients and our staff. Accordingly, we continue to monitor categories of spend closely to identify further opportunities for mitigation.

Cyber
All sectors are experiencing a sharp increase in cyber-attacks. Our business has invested considerable effort in a response plan, with an emphasis on awareness and training along with strengthening our IT defences, and we will continue to monitor and respond to changing threats.

Process compliance
Failure to comply with documented process can lead to a number of unwanted outcomes, including injury, financial loss and loss of accreditation. The Group has invested heavily in systems, processes and training, and will continue to do so in order to ensure that the risk of lack of process awareness is minimised. This is backed up by a system of audit to provide assurance that processes are being followed, and to highlight areas where we need to do better.



DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

Directors' Report

The Directors present their annual report and financial statements for the 52-week period ended 2 April 2023.

The Group's continuing activities during the financial year were civil engineering construction, utilities contracting and residential development.

The Directors who served during the 52-week period and up to the date of signature of the financial statements were as follows:

N J Blaber
M S Cannon
K T Clancy
M P Clancy
I A Gray

The Company's approach to the appointment and replacement of Directors is governed by its Articles of Association and all relevant legislation. The powers of the Directors are determined by the Articles of Association, the Companies Act 2006 and other relevant legislation.

The results for the 52-week period are set out on page 43. Further commentary is provided in the Strategic Report on page 6.

Ordinary dividends of £5,824,000 were authorised for payment in the period (see note 34 of the Group's consolidated financial statements). The Directors recommend the payment of further dividends of £2,301,000.

The Group has made qualifying third party indemnity provisions for the benefit of the Directors of all entities in the Group during the 52-week period. These provisions remain in force at the reporting date.

The Group's principal financial instruments consist mainly of hire purchase and leasing liabilities which are due after one year.

Credit and cash flow risk from trade receivables and amounts recoverable on contracts are managed through policies on payment terms, and regular reviews of the balance and age of amounts outstanding. Liquidity risk in respect of trade payables is managed by ensuring sufficient funds are available to meet amounts falling due.

The Group provides quarterly updates to ensure employees are updated on matters of concern to them along with updates on the financial and economic factors affecting the company's performance. These policies and processes are discussed further on pages 10 to 11 of the CEO's report.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues, and that adjustments or training are provided as appropriate. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Company information

Directors
N J Blaber
M S Cannon
K T Clancy
M P Clancy
I A Gray

Secretary
D Pegg

Company number
12500720

Registered office
Clare House
Coppermill Lane
Harefield
Uxbridge
Middlesex
UB9 6HZ

Auditor
PricewaterhouseCoopers LLP
40 Clarendon Road
Watford
WD17 1JJ

Bankers
Allied Irish Bank
Ealing Cross
85 Uxbridge Road
London
W5 5TH

The Company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's Strategic Report information required by Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of principal risks and uncertainties.

No material events have taken place since balance sheet date, and the Group has continued to trade in line with expectations.

The healthy financial position of the business leaves the Board able to focus on the future, and the direction is best summarised by the Strategic Priorities set out on page 6.

During the year the Audit & Risk Committee re-appointed PricewaterhouseCoopers LLP (PwC) as independent auditor.

The Group is fully committed to high standards of corporate governance. A description of the Company's management and reporting structure are given in the Governance Report pages 27 - 28.

The Directors are responsible for preparing the Annual Report and the Group's financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year.

Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Directors must not approve the financial statements unless they are satisfied that the financial statements 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 the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also 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.

The Directors are responsible for the maintenance and integrity of corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of each person who was a Director of the Company at the time this Directors' Report was approved confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors is aware of that information.

On behalf of the Board

K T Clancy

Director

Date 10 August 2023

Auditor's Report

Independent auditor's report to the members of Clancy Group Holdings Limited. Report on the audit of the financial statements.

In our opinion, Clancy Group Holdings Limited's group financial statements and company financial statements (the "financial statements"):

- Give a true and fair view of the state of the group's and of the company's affairs as at 2 April 2023 and of the group's profit and the group's cash flows for the 52-week period then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- Have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements included within the Annual Report and Consolidated Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company statement of financial position as at 2 April 2023; the Consolidated statement of comprehensive income, Consolidated statement of cash flows, Consolidated and Company statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements

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 group's and 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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern

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

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 2 April 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities of the directors for the financial statements
As explained more fully in the Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, tax (including employment taxes, corporation tax and VAT), and the Pensions Act 2014 and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting journals to modify revenue or profit and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Challenging assumptions and judgements made by management in their accounting estimates;
- Identifying and testing journal entries, in particular certain journal entries posted with unusual account combinations; and
- Reviewing legal expenses both during the financial year and up to the date of signing the financial statements to identify any potential contingent liabilities in relation to non compliance with laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Matthew Mullins (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford

11 August 2023

Consolidated financial statements

Consolidated statement of comprehensive income

For the 52-week period to 2 April 2023

	Notes	52-week period to 2 April 2023 £'000	53-week period to 3 April 2022 £'000
Revenue	3	334,495	292,989
Cost of sales		(299,612)	(264,964)
Gross profit/(loss)		**34,883**	**28,025**
Administrative expenses		(20,865)	(16,789)
Other operating income	4	-	89
Operating profit/(loss)	7	**14,018**	**11,325**
Investment income	9	1,014	21
Finance costs	10	(1,533)	(716)
Profit/(loss) before taxation		**13,499**	**10,630**
Tax on profit/loss	11	(2,076)	(1,501)
Profit/(loss) for the financial period		**11,423**	**9,129**
Other comprehensive income net of taxation			
Actuarial gain/(loss) on defined benefit pension scheme		3,807	4,445
Tax relating to other comprehensive income		(1,032)	(1,111)
Total comprehensive income for the financial period		**14,198**	**12,463**

There were no discontinued operations in the financial period ended 2 April 2023. Profit and total comprehensive income for the financial period is all attributable to the owners of the Group.

The notes on pages 49 to 69 form part of these financial statements.

Consolidated statement of financial position

As at 2 April 2023

	Notes	2 April 2023 £'000	3 April 2022 £'000
Fixed assets			
Property, plant and equipment	**13**	37,802	46,889
Investments	**14**	5	5
		37,807	46,894
Current assets			
Inventories	**17**	6,729	7,102
Debtors amounts falling due after one year - deferred tax	**18**	-	407
- Debtors falling due in less than one year	**18**	51,913	39,150
Cash and cash equivalents		42,914	28,228
		101,556	74,887
Creditors: amounts falling due within one year	**19**	(73,742)	(59,445)
Net current assets		27,814	15,442
Total assets less current liabilities		65,621	62,336
Creditors: amounts falling due after more than one year	**20**	(17,087)	(19,312)
Defined benefit pension asset	**24**	6,643	3,102
Provision for other liabilities	**23**	(677)	-
Net assets		**54,500**	**46,126**
Equity			
Called up share capital	**25**	130	130
Merger reserve	**26**	9,373	9,373
Retained earnings	**26**	44,997	36,623
Total equity		**54,500**	**46,126**

The notes on pages 49 to 69 form part of the financial statements.

The financial statements on pages 43 to 69 were approved by the Board of Directors and authorised for issue on 10 August 2023. They were signed on its behalf by

M S Cannon
Director

K T Clancy
Director

Company statement of financial position

As at 2 April 2023

	Notes	2 April 2023 £'000	3 April 2022 £'000
Fixed assets			
Property, plant and equipment	**13**	11,057	10,511
Investments	**14**	130	130
		11,187	**10,641**
Current assets			
Debtors	**18**	20,019	16,584
Cash and cash equivalents		1,022	1,000
		21,041	**17,584**
Creditors: amounts falling due within one year	**19**	(11,195)	(7,050)
Net current assets		9,846	10,534
Total assets less current liabilities		21,033	21,175
Creditors: amounts falling due after more than one year	**20**	(15,814)	(15,814)
Net assets		**5,219**	**5,361**
Equity			
Called up share capital	**25**	130	130
Retained earnings	**26**	5,089	5,231
Total equity		**5,219**	**5,361**

As permitted by s408 Companies Act 2006, the Company has not presented its own income statement and related notes as it prepares Group financial statements. The Company's profit and total comprehensive income for the financial period were £5,682,000 (2022: £5,958,000).

The notes on pages 49 to 69 form part of the financial statements.

The financial statements on pages 43 to 69 were approved by the Board of Directors and authorised for issue on 10 August 2023. They were signed on its behalf by

M S Cannon
Director

K T Clancy
Director

Consolidated statement of changes in equity

For the 52-week period to 2 April 2023

	Call up Share Capital £'000	Merger reserve £'000	Retained earnings £'000	Total £'000
Balance at 29 March 2021	**130**	**9,373**	**29,880**	**39,383**
Period ended 3 April 2022:				
Profit for the financial period	-	-	9,129	9,129
Other comprehensive income net of tax:				
Actuarial gain on defined benefit plans	-	-	4,445	4,445
Tax relating to other comprehensive income	-	-	(1,111)	(1,111)
Total comprehensive income for the financial period attributable to the owners of the Group	-	-	12,463	12,463
Dividends (note 12)	-	-	(520)	(520)
Non-cash distribution issue of preference shares (note 12)	-	-	(5,200)	(5,200)
Balance at 3 April 2022	**130**	**9,373**	**36,623**	**46,126**
Period ended 2 April 2023:				
Profit for the financial period	-	-	11,423	11,423
Other comprehensive income net of tax	-	-	-	-
Actuarial gain on defined benefit plans	-	-	3,807	3,807
Tax relating to other comprehensive income	-	-	(1,032)	(1,032)
Total comprehensive income for the financial period attributable to the owners of the Group	-	-	14,198	14,198
Dividends (note 12)	-	-	(5,824)	(5,824)
Balance at 2 April 2023	**130**	**9,373**	**44,997**	**54,500**

Company statement of changes in equity

For the 52-week period to 2 April 2023

	Call up Share Capital £'000	Retained earnings £'000	Total £'000
Balance at 29 March 2021	130	4,993	5,123
Period ended 3 April 2022:			
Profit for the financial period		5,958	5,958
Total comprehensive income for the financial period attributable to the owners of the Company	-	5,958	5,958
Dividends (note 12)		(520)	(520)
Non-cash distribution – issue of preference shares (note 12)	-	(5,200)	(5,200)
Balance at 3 April 2022	**130**	**5,231**	**5,361**
Period ended 2 April 2023:			
Profit for the financial period	-	5,682	5,682
Total comprehensive income for the financial period attributable to the owners of the Company	-	5,682	5,682
Dividends (note 12)	-	(5,824)	(5,824)
Balance at 2 April 2023	**130**	**5,089**	**5,219**

Consolidated statement of cash flows

For the 52-week period to 2 April 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities			
Cash generated from operations	27	21,592	18,529
Interest paid		(240)	(344)
Income taxes paid		(1,213)	(2,980)
Net cash inflow from operating activities		**20,139**	**15,205**
Investing activities			
Purchase of property, plant and equipment		(3,392)	(8,997)
Proceeds on disposal of property, plant and equipment		3,772	3,731
Interest received		462	21
Dividends received		-	-
Net cash generated/(used) in investing activities		**842**	**(5,245)**
Financing activities			
Preference share dividends paid		(475)	(342)
Payment of finance lease obligations		(2,742)	(2,805)
Dividends paid to equity shareholders	34	(3,078)	(520)
Net cash used in financing activities		**(6,295)**	**(3,667)**
Net increase in cash and cash equivalents		**14,686**	**6,293**
Cash and cash equivalents at the beginning of the period		**28,228**	**21,935**
Cash and cash equivalents at the end of the period		**42,914**	**28,228**
Relating to:			
Cash at bank and in hand		**42,914**	**28,228**

Notes to the financial statements

For the 52-week period to 2 April 2023

Company information

Clancy Group Holdings Limited ("the Company") is a private company limited by shares and is registered and domiciled in the United Kingdom. The registered office is Clare House, Coppermill Lane, Harefield, Uxbridge, Middlesex, UB9 6HZ.

The Group consists of Clancy Group Holdings Limited and all of its subsidiaries.

The Group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in Sterling, which is the functional currency of the Company and Group. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal adopted accounting policies, which have been applied consistently with the previous period are set out below.

Reduced disclosures

The Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The Company has therefore taken advantage of the exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Interest income/expense and net gains/losses for financial instruments not measured at fair value, basis of determining fair values, details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel and the exemption from disclosing related party transactions between wholly owned subsidiary undertakings within the same group.

Company statement of comprehensive income

As permitted by Section 408 Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income as it prepares group financial statements and the Company Statement of Financial Position shows the Company's profit or loss for the financial period.

Basis of consolidation

The consolidated financial statements incorporate those of Clancy Group Holdings Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

In June 2020, the Group undertook a corporate re-organisation in order to rationalise the group structure. This reorganisation met the conditions to qualify for the use of the merger accounting methodology set out in Section 19 of FRS 102 and the Directors have accordingly applied this approach. Hence, these financial statements have been prepared under merger accounting and the Group financial statements have been presented as if the Company and the subsidiary undertakings had always been combined.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In relation to joint arrangements, the Group accounts directly for its share of the assets, liabilities and cash flows arising from those joint arrangements in accordance with FRS 102 Section 15.

Business combinations

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Contingent consideration is discounted, if material.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

The merger method of accounting is applied to Group reconstructions as if the entities has always been combined. The total comprehensive income, assets and liabilities of the entities are amended where necessary to align the accounting policies. The carrying values of the entities' assets and liabilities are not adjusted to fair value. Any difference between the nominal value of shares issued plus the fair value of other consideration and the nominal value of shares received is taken to other reserves in equity.

Intangible assets

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the Strategic report and the Directors' report.

The Group meets its day to day working capital requirements through cash generated by the operations of its subsidiaries.

The Directors have considered the appropriateness of preparing financial statements on a going concern basis and have concluded that this treatment is appropriate as they are confident that the business is a going concern. In reaching this conclusion, the Directors considered:

- Liquidity: The business started the 2023/24 financial period with cash balances close to £4.3m and no net debt;
- The Group's forward-looking forecasts cover the budget period to 31 March 2024 as well as long term forecasts covering the period ended March 2028 which are based upon the Group's 5 year Long Range Plan. These are the periods that the Directors believe are the most

appropriate to assess with any certainty at this time. These forecasts have then been high-level stress tested, based on a worst case and reasonable worst case trading scenario, to identify what impact each of these scenarios would have on the Group's cash flow and financial position. Neither case resulted in the Group requiring any mitigating factors, such as raising third party debt, to continue with its existing business operations and even under the worst-case scenario significant cash balances, circa £31m, were retained;
- The existence of further cash the business expects to unlock from specific contracts which have high receivables balances, which the Directors consider are collectable;
- The nature of our contracts and client base, which provides a relatively predictable baseline revenue level even during the recent lockdowns. In addition, we are seeing strong demand for infrastructure investment and expect to have opportunities to take on additional work in the coming months, both from existing and new clients; and
- The low bad debt exposure resulting from working mainly for regulated utility providers.

The Directors have considered these factors, the likely performance of the business and possible alternative outcomes, the financing facilities available to the Company and Group and the possible actions that could be taken should new facilities not be available in the future.

Having taken all these factors into account, at the time of approving the financial statements, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Reporting period
The results cover the 52-week period ended 2 April 2023. The previous financial period was for the 53-week period ended 3 April 2022. The company operates on a 4:4:5 reporting calendar which the Directors believe enables the operations of the business to be reported most effectively.

These financial statements have been prepared under merger accounting and the Group financial statements have been presented as if the Company and the subsidiary undertakings had always been combined.

Revenue
i) Civil engineering and utilities contracting
Revenue represents the value of work done during the financial period net of value added tax. The value of work done is calculated as the certified work, plus the amount anticipated to be certified, adjusted for over and under measure. Where appropriate to the nature of the contract, revenue and costs are recognised by reference to the stage of completion, where it can be reliably measured.

ii) Residential development
Revenue from residential development represents the amounts receivable from the sale of properties and other income directly associated with property development. Properties are treated as sold at the point control of the unit is passed to the customer, which has been determined as the point of legal completion.

iii) Hire of plant
Revenue from hire of plant is recognised on an accruals basis over the hire period, when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

iv) The service of traffic management
Revenue from traffic management is recognised when the outcome of the transaction can be recognised reliably, on completion of each project undertaken.

Property, plant and equipment
Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	not depreciated
Leasehold land and buildings	not depreciated
Furniture, fittings, plant and equipment	2-6 years on cost on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

The Group maintains its leasehold properties in such a state of repair that in the opinion of the Directors their residual values at the date of acquisition and subsequent improvements will always be at least equal to their carrying values at such dates. Any depreciation would be immaterial and consequently no depreciation is provided on such property. The Group's freehold buildings are non-specialised and in view of the Group's policy on the maintenance of this property, the Directors do not expect its residual value to fall below its carrying value in the foreseeable future.

Fixed Investments
Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a realisable measure of fair value becomes available.

In the parent Company financial statements, investments in subsidiaries and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the Group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Exceptional items
Items that are material in size or non-operating in nature are presented as exceptional items in the income statement. The Directors are of the opinion that separate recording of exceptional items provides helpful information about the Group's underlying business performance. Examples of events, which may give rise to the classification of items as exceptional include, inter alia, restructuring of businesses, gains and losses on disposal of properties, impairment of goodwill, non-recurring income and one-off curtailment costs associated with the closure of defined benefit schemes.

Notes to the financial statements (continued)

For the 52-week period to 2 April 2023

Impairment of non-current assets

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventory items are held for consumption in the process of delivering construction contracts. At each reporting date, an assessment is made for impairment, any impairment provisions made or reversed are recognised in the profit or loss at that time.

Cost is arrived at based upon the following bases:

i) Estate development
Comprises the cost of development land which represents the acquisition costs of that land, including incidental expenses, and the cost of direct materials, labour, plant hire and the overheads relating to each contract in progress. Provision is made for losses, in full, on all projects in the financial period in which they are first foreseen.

ii) Raw materials and consumables
Cost of raw materials is determined on the first in first out basis. Net realisable value is the price at which the stock can be realised in the normal course of business.

iii) Bulk fuels and spare parts
Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

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

Utility and related contracts

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

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately and a provision for losses on contracts is recognised as a component of creditors.

Where the outcome of a utility and related contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

The value of work done is calculated as the certified work, plus the amount anticipated to be certified, allowing for over and under measure; this is then used to determine the appropriate amount to recognise as income in a given period. The stage of completion is also measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs.

Amounts due from contract customers (amounts recoverable on contracts) at the period end are included in debtors and are calculated at the estimated value of work done at the period end date that has not been invoiced.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

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

Financial instruments are recognised when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the Group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable. Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax

Current tax is based on taxable profit for the financial period. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirements benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the financial period. Differences between contributions payable in the financial period and contributions actually paid are shown as either accruals or prepayments. The Group also operates an employees defined benefit scheme, the details of which are outlined below. The scheme is closed to new entrants and no further contributions will be made to the scheme, apart from contributions to meet the shortfall in funding as a result of the deficiency of assets. The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the financial period is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit asset liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using the AA corporate bond rate), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern

Notes to the financial statements (continued)

For the 52-week period to 2 April 2023

in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Government grants

Government grants are recognised at the fair value of the assets receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify conditions, it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is shown as a liability.

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Group as lessee.

Key sources of estimation uncertainty

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

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the Directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. In respect of the current period, impairments of bad and doubtful trade debtor balances have been recognised in the financial statements. In assessing the indicators of the impairment to freehold and leasehold land and buildings, the Directors reviewed the values of the properties using internal knowledge of the property market and obtaining third party opinions where needed. Management estimate the expected realisable value of stock and WIP by considering both external and internal sources of information such as historic performance of similar properties and market conditions.

Deferred tax

Deferred tax assets are recognised for all timing differences to the extent that it is probable they will be recoverable against the reversal of a deferred tax asset at the rate of taxation expected at that date. At the reporting end date there were no indicators the deferred tax asset was not recoverable.

Revenue recognition in respect of amounts recoverable on contracts

The Group uses estimation techniques based on the stage of completion of amounts recoverable on contracts at the period end. This requires the Directors to estimate the value of work completed on projects at the period end in order to recognise the revenue attributable to this in the correct period.

Recoverability of receivables

The Group establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the Directors consider factors such as the ageing of the receivables and past experience of recoverability.

Estimating value in use

Where an indication of impairment exists, the Directors will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

Determining residual values and useful economic life of non-current assets (property, plant and equipment)

The Group depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programs.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the Group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Onerous contracts

Management produce detailed contract budgets and end of life forecasts in order to assess the total costs to complete open contracts and assess the final forecast contract margin. Where these forecasts suggest an overall loss will be recorded on the contract, a full provision for the loss expected on the onerous contract is recorded. There is a degree of management estimation in determining the level of total estimated costs for a project.

Defined benefit pension scheme

In measuring the estimated defined benefit pension obligation, management uses a set of assumptions. This set of assumptions are derived with the involvement of a qualified third party actuary and requires significant judgement in considering whether they are appropriate. Given the sensitive nature of these assumptions, the resulting impact on the obligation recognised at the period end and future periods may change. The assumptions selected and additional information is provided in note 24.

	2023 £'000	2022 £'000
Revenue analysed by class of business		
Civil engineering utilities contracting	329,389	289,029
Residential property development	1,782	2,560
Plant hire	2,125	56
Traffic management	1,199	1,344
	334,495	**292,989**

The Group's revenue is generated solely from its activities in the United Kingdom

	2023 £'000	2022 £'000
Other operating income	-	89

The average monthly number of persons (including Directors) employed by the Group and Company during the period was:

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Directors and senior management	60	61	-	-
Management & Supervisory staff	490	526	-	-
Operatives	1,295	1,393	-	-
Administration	297	314	-	-
	2,142	2,294	-	-

Their aggregate remuneration comprised:

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Wages and salaries	97,507	94,471	-	-
Social security costs	10,477	9,734	-	-
Pension costs	2,866	2,409	-	-
	110,850	106,614	-	-

For the period ended 2 April 2023 the Directors have restated the total split of employees to more accurately reflect their roles within the business. 2022 figures have been restated on a proportional basis. Previously employees were classified as either Directors and management, supervisory staff or operatives.

Notes to the financial statements (continued)

For the 52-week period to 2 April 2023

	2023 £'000	2022 £'000
Group		
Wages and salaries	3,666	2,156
Pension costs	54	61
Compensation for loss of office	-	30
	3,720	2,247

Remuneration disclosed above includes the following amounts paid to the highest paid Director

	2023 £'000	2022 £'000
Wages and salaries	1,052	512
Pension costs	4	4

The number of Directors for whom retirement benefits are accruing under defined contribution scheme amount to 5 (2022: 5).

	2023 £'000	2022 £'000
Operating profit for the financial period is stated after charging/(crediting):		
- owned assets	7,157	7,812
- assets held under finance leases	2,298	2,372
Profit on disposal of property, plant and equipment	(903)	(1,546)
Operating lease charges	3,499	1,555

	2023 £'000	2022 £'000
Fees payable to the Company's auditors and their associates		
For audit services		
Audit of the financial statements of the Group and Company	152	130
Audit of the financial statements of the Company's subsidiaries	83	80
	235	210
For other services		
Taxation compliance services		-
Other taxation services		-
All other non audit services	-	
	-	-

	2023 £'000	2022 £'000
Interest income		
Interest on bank deposits	453	21
Interest on defined benefit asset	552	-
Total interest revenue	1,005	21
Other income from investments		
Dividends received	9	-
Total investment income	1,014	21

In the previous period pension fund interest of £397,000 was netted off against pension interest payable see note 10.

	£'000	£'000
Dividends on preference shares not classified as equity	475	342
Interest on finance leases and hire purchase contracts	240	344
Loss on settlement of defined benefit pension scheme liability	335	-
Interest on the defined benefit liability	483	30
Total finance costs	1,533	716

In the previous period £427,000 of defined benefit scheme pension interest receivable was netted off pension interest payable to arrive at the net interest charge set out above

	2023 £'000	2022 £'000
Current tax		
UK corporation tax on profits for the period	2,597	1,960
Adjustments in respect of prior periods	(573)	(274)
Total current tax	2,024	1,686
Deferred tax		
Origination and reversal of timing differences	26	236
Changes in tax rates	-	(421)
Over provided in prior years	26	-
Total deferred tax	52	(185)
Total tax charge	2,076	1,501

Notes to the financial statements (continued)

For the 52-week period to 2 April 2023

The total tax charge for the period included in the consolidated statement of comprehensive income is higher (2022: lower) than the tax charge based upon the standard rate and can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2023 £'000	2022 £'000
Profit before taxation	13,499	10,630
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2022: 19%)	2,565	2,019
Tax effect of expenses that are not deductible in determining taxable profit	64	(57)
Tax effect of income not taxable in determining taxable profit	-	-
Change in unrecognised deferred tax assets	-	(39)
Adjustments in respect of prior periods	(557)	(244)
Effect of change in corporation tax rate	4	(88)
Taxation charge	2,076	1,591

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2023 £'000	2022 £'000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	1,032	[illegible]

In March 2021, the Finance Bill 2021 was enacted and included legislation holding the main rate of corporation tax at 19% with effect from 1 April 2021 until 31 March 2023. In the Finance Bill 2021 it was also announced that the UK tax rate will increase to 25% from 1 April 2023. Consequently, deferred tax is recognised at 25% in the current period (2022: 25%).

	2023 £'000	2022 £'000
Interim paid - £0.48 (2022: £0.40) per Ordinary share	624	520
Non cash distribution - issue of preference shares		5,200
Final paid - £4.[illegible] (nil) per Ordinary share	6,200	
	6,824	5,720

Group	Freehold land and buildings £'000	Leasehold land and buildings £'000	Furniture, fittings, plant and equipment £'000	Total £'000
Cost				
At 4 April 2022	14,158	600	67,358	82,116
Additions		-	3,237	3,237
Disposals	(1,079)	(600)	(7,496)	(9,175)
At 2 April 2023	13,079	-	63,099	76,178
Accumulated depreciation and impairment				
At 4 April 2022	665	216	34,346	35,227
Charge for the period	-	-	9,455	9,455
Eliminated in respect of disposals	-	(216)	(6,090)	(6,306)
At 4 April 2023	665	-	37,711	38,376
Carrying amount				
At 2 April 2023	12,414	-	25,388	37,802
At 3 April 2022	13,493	384	33,012	46,889

Company	Freehold land and buildings £'000
Cost	
At 3 April 2022	**10,511**
Additions	**546**
At 2 April 2023	**11,057**
Accumulated depreciation and impairment	
At 2 April 2023 and 4 April 2022	-
Carrying amount	
At 2 April 2023	**11,057**
	10,511

During the period the Group chose to impair one class of its commercial vehicles. The resulting impairment charge of £250,000 is included within the depreciation charge for the period as disclosed above

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2023 £'000	2022 £'000
Group		
Furniture, fittings, plant and equipment	4,983	7,067

The company had no tangible fixed assets held under finance leases.

Notes to the financial statements (continued)

For the 52-week period to 2 April 2023

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Investments in subsidiaries (note 1[illegible])	-	-	130	130
Listed investments	5	5	-	-
	5	5	130	130
Listed investments carrying amount	5	5	-	-
Market value if different from carrying amount	30	33	-	-

Movements in non-current investments	Investments other than loans
Group	**£'000**
Cost or valuation	
At 2 April 2023 and 4 April 2022	113
Accumulated impairment	
At 4 April 2022	108
Impairment losses	-
At 2 April 2023	108
Carrying amount	
At 2 April 2023	5
At 3 April 2022	5

Movements in non-current investments	Shares in group undertakings
Company	**£'000**
Cost	
At 4 April 2022	130
Additions	-
At 2 April 2023	130
Carrying amount	130
At 2 April 2023	130
At 3 April 2022	

Details of the Company's subsidiaries at 2 April 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held
The Clancy Group Ltd	As below	A holding and property management company	Ordinary	100
Clancy Plant Limited	As below	Hiring plant and the service provision of traffic management	Ordinary	100
Clancy Developments Limited*	As below	Residential development	Ordinary	100
Clancy Docwra Limited*	As below	Civil engineering, construction and utilities contracting	Ordinary	100
Clancy Investments Limited*	As below	Dormant	Ordinary	100
Heritage (Breakspear) Limited*	As below	Dormant	Ordinary	100
M.J Clancy & Sons Limited*	As below	Dormant	Ordinary	100
Breakspears Management Company Limited*	As below	Dormant	Ordinary	100

*Indirectly held

The above companies' registered office is Clare House, Coppermill Lane, Harefield, Middlesex, UB9 6HZ.

Clancy Developments Limited, Clancy Docwra Limited, , Clancy Investments Limited, are 100% owned by The Clancy Group Ltd.

M J Clancy & Sons Limited, is 100% owned by Clancy Docwra Limited.

Heritage (Breakspear) Limited is 100% owned by Clancy Developments Limited.

Breakspears Management Company Limited is 100% owned by Heritage (Breakspear) Limited

In order for the subsidiary entities, Clancy Developments Limited, Clancy Investments Limited, Heritage (Breakspear) Limited, M.J.Clancy & Sons Limited, and Breakspears Management Company Limited to take the audit exemption in section 479A of the Companies Act 2006, the company has guaranteed all outstanding liabilities of those subsidiary entities.

All of the subsidiaries above have been consolidated in the financial statements.

Notes to the financial statements (continued)

For the 52-week period to 2 April 2023

Optimise (Water) LLP

Clancy Docwra Limited is in a joint venture with J Murphy & Sons Limited, Barhale Construction Plc and MWH UK Limited, who together formed Optimise (Water) LLP, a limited liability partnership registered in England and Wales. The principal activity of the joint arrangement is that of utilities contracting. The structure has the appearance of a joint venture, but it is used only as a means for each participant to carry on its own business. Therefore, in order to reflect the substance of its operations, Clancy Docwra Limited has accounted directly for its share of the assets, liabilities and cash flows arising in the entity in accordance with FRS102 Section 15. The Group recognises the profit or losses attributable to it from the joint arrangement in its profit and loss account where the outcome of the venture is reasonably certain.

KCD Joint Venture

Clancy Docwra Limited is in a joint arrangement with Kier MG Limited where an agreement has been made to collaborate as an integrated unincorporated joint venture. The principal activity of the joint venture is that of utilities contracting. The structure of the joint venture is similar to Optimise (Water) LLP and, therefore, the Group financial statements directly for its share of the assets, liabilities and cash flows arising from the joint arrangement with Kier MG Limited in accordance with FRS102 Section 15. The Group recognises the profit or losses attributable to it from the joint arrangement in its profit and loss account where the outcome of the venture is reasonably certain. During the financial period, the Group recognised a profit of £Nil (2022: £Nil) in respect of Optimise (Water) LLP and a profit of £822,000 (2022: £3,050,000) in respect of KCD Joint Venture.

	2023 £'000	2022 £'000
Group	3,648	3,282
Raw materials and consumables	2,712	3,477
Bulk fuels	32	16
Spare parts	337	327
	6,729	7,102

Following management's review of assets for impairment, work in progress above is stated net of a provision £817,000, (2022: £1,384,000) and a provision against raw materials and consumables of £300,000, (2022: £Nil).

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Trade receivables	4,789	906	-	
Gross amounts due from customers for contracts work	44,733	36,999	-	-
Amounts owed by Group undertakings	-		20,019	15,880
Corporation tax recoverable	274	793	-	704
Other receivables	953	196	-	
Prepayments and accrued income	1,164	346	-	
	51,913	39,150	20,019	16,584
Deferred tax asset (note 23)	-	407	-	-
	51,913	39,557	20,019	16,584

Following management's review of assets for impairment, trade receivables above are stated net of a provision of £8,000 (2022: £344,000) against bad debts. Amounts owed by Group companies are unearthed, interest free and repayable on demand.

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Obligations under finance leases (note 22)	2,200	2,717	-	-
Trade creditors	27,718	17,012	-	-
Amounts owed to Group undertakings		-	10,637	6,899
Corporation tax payable	1,113	732	409	-
Other taxation and social security	11,529	9,524	-	-
Other payables	17	-	-	-
Accruals and deferred income	31,165	29,460	148	151
	73,742	59,445	11,195	7,050

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Other borrowings (note 21)	15,814	15,814	15,814	15,814
Obligations under finance leases (note 22)	1 273	3,498		-
	17,087	19,312	15,814	15,814

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Redeemable preference shares	214	214	214	214
Non-redeemable preference shares	15,600	15,600	15,600	15,600
	15,814	15,814	15,814	15,814
Payable within one year	-	-	-	-
Payable after one year	15,814	15,814	15,814	15,814

£214,000 redeemable preference shares accrue a fixed cumulative preferential dividend of 3% payable annually from 31 March 2021 The principal amount is repayable on 31 March 2025 There are no rights available to the holders to exercise before that date

In March 2021, non-redeemable preference shares of £10,400 000 were issued to the shareholders at an issue price of £1 per share, financed by a dividend from the Company. These shares accrue a fixed cumulative preferential dividend of 3 %, payable annually from 31 March 2022.

On 31 March 2022 non-redeemable preference shares of £5,200,000 were issued to the shareholders at an issue price of £1 per share, financed by a non-cash dividend from the Company The shares accrue a fixed cumulative preferential dividend of 3%, payable annually from 31 March 2023.

None of the preference shares carry any equity component and they are classified as financial liabilities in their entirety

Notes to the financial statements (continued)

For the 52-week period to 2 April 2023

Group	2023 £'000	2022 £'000
Future minimum lease payments due under finance leases		
Less than one year	2,200	2,717
Between one and five years	1,273	3,498
	3,473	6,215

Finance lease payments represent rentals payable by the Group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Finance lease liabilities are secured on the assets being leased.

The major deferred tax assets and (liabilities) recognised by the Group and Company are:

Group	2023 £'000	2022 £'000
Accelerated (decelerated) capital allowances	-	14
Retirement benefit obligations	(1,727)	(611)
Short term timing differences	595	324
Fixed asset timing differences	455	680
	(677)	407

Movements in Group deferred tax in the period	2023 £'000	2022 £'000
Asset at 4 April 2022 and 29 March 2021	407	1,334
(Charge) / credit to profit and loss	(52)	184
(Charge) to other comprehensive income	(1,032)	(1,111)
(Liability) / Asset at 2 April 2023 and 3 April 2022	(677)	407

The Company has no deferred tax assets or liabilities at 2 April 2023 (2022 £Nil).

The deferred tax liability relates to the value of depreciation charges in these financial statements exceeding the value allowed for tax purposes through capital allowances and it also relates to the Group's retirement benefit obligations for the Group's defined benefit scheme.

Two defined contribution pension schemes are operated for all qualifying employees. The assets of the schemes are held separately from those of the Company and Group and independently administered through Standard Life. At the balance sheet date, contributions amounting to £88,000 (2022: £702,000) had not been paid to the funds and are included within other creditors.

Defined benefit schemes

The Group is a member of a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Group, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with companies within the Group headed by Clancy Group Holdings Limited. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 14 March 2022.

Details of the main actuarial assumptions are given below. At 2 April 2023, there were no contributions payable to the fund to be included in creditors (2022: £Nil).

The most recent actuarial valuation showed that the market value of the scheme's assets was £21,122,000 and that the actuarial value of those assets represents 91% of the benefits that had accrued to members, after allowing for expected increases in earnings. There will be no further contributions to this scheme as the scheme was closed on 31 March 2010, apart from funding for the accrued pensions to date. No contributions are due into the scheme as part of the recovery plan agreed in March 2023. This recovery plan made an allowance for changes in market conditions for both assets and liabilities and eliminated the funding shortfall, identified in the most recent triennial valuation in March 2022. Prior period assets and liabilities have been updated, by an equal amount, to reflect the value of annuities held by the scheme previously excluded. There is no overall impact on the deficit in the scheme shown in the prior period comparatives with the prior period actuarial movement relating to the obligations in respect of those liabilities having been adjusted as part of the current year gain. This is set out further below as part of the amounts recognised in the income statement.

Contributions and charges

£Nil (2022: £405,000) was paid into the defined benefit scheme to further fund pensions accrued to date. As indicated above, the Group operates a defined benefit scheme. A full actuarial valuation was carried out at 14 March 2022 and updated to 2 April 2023 by a qualified independent actuary. The principal assumptions used by the actuary are outlined below.

Key assumptions	2023 %	2022 %
Discount rate	4.8	2.6
Expected rate of increase of pensions in payment	3.6	3.9
Retail price inflation	3.5	4.1
Consumer price inflation	3.1	3.7
Deferred pension revaluation	3.1	3.7

Mortality assumptions		
Assumed life expectations on retirement at age 65		
Mortality assumptions		
- Males	22.9	22.7
- Females	25.0	24.5
Retiring in 20 years		
- Males	24.1	24.7
- Females	26.4	26.6

Mortality assumptions

Mortality follows the standard table known as S3PA, using 97% (2022: 97%) of the base table with CMI 2015 mortality projections with a long term rate of improvement of 1.75% (2022: 1.75%).

Notes to the financial statements (continued)

For the 52-week period to 2 April 2023

Amounts recognised in the income statement	2023 £'000	2022 £'000
Net interest receivable/(payable) on defined benefit liability/(asset)	69	(39)
Amounts taken to other comprehensive income		
Actual (expense)/return on scheme assets	(713)	1,680
Less: calculated interest element	(552)	(384)
Returns/(expense) on scheme assets excluding interest income	(1,265)	1,296
Actuarial changes related to restated obligations charged in the year	(320)	
Actuarial changes related to obligations	5,392	3,149
Total gain	3,807	4,445

The amounts included in the statement of financial position arising from the Group's obligations in respect of defined benefit plans are as follows:

	2023 £'000	2022 £'000 Restated
Present value of defined benefit obligations	(12,802)	(19,067)
Fair value of plan assets	19,445	22,169
Surplus in scheme	6,643	3,102

Movements in the present value of defined benefit obligations	2023 £'000	2022 £'000 Restated
Liabilities at 4 April 2022 and 29 March 2021	19,067	21,766
Restatement of liabilities at 3 April 2022	-	681
PY actuarial loss relating to restated liability charged in current period	320	-
Benefits paid	(851)	(645)
Actuarial (gains)	(5,392)	(3,149)
Settlement payments from plan assets	(1,160)	-
Loss on settlement of defined benefit pension scheme liabilities	335	-
Interest cost	483	414
Liabilities at 2 April 2023 and 3 April 2022	12,802	19,067

The defined benefit obligations arise from plans funded as follows:	2023 £'000	2022 £'000 Restated
Wholly or partly funded obligations	12,802	19,067

Movements in the fair value of plan assets	2023 £'000	2022 £'000 Restated
Fair value of assets at 4 April 2022 and 29 March 2021	22,169	20,048
Restatement of assets at 3 April 2022	-	681
Interest income	552	384
Return on plan assets (excluding amounts included in net interest)	(1,265)	1,296
Settlement payments from plan assets	(1,160)	-
Benefits paid	(851)	(645)
Contributions by participating employer	-	405
Fair value of assets at 2 April 2023 and 3rd April 2022	19,445	22,169

The actual return on plan assets was a loss of £713,000 (2022: £1,680,000 gain). The analysis of the scheme assets at the reporting date were as follows:

	2023 £'000	2022 £'000 Restated
Equities	1,688	11,096
Bonds	14,621	4,055
Property	-	1,238
Annuities	541	681
Other	-	4,463
Cash	2,595	636
	19,445	22,169

Notes to the financial statements (continued)

For the 52-week period to 2 April 2023

Called up share capital Group and company	**2023** **£'000**	**2022** **£'000** **Restated**
Ordinary share capital		
Issued and fully paid		
1,300,000 Ordinary shares of £0.10 each	130	130

The Company's ordinary shares each carry the right to one vote at general meetings of the Company and rank pari passu in all respects.

Merger reserve
The merger reserve represents reserves arising as a result of a Group reconstruction in the previous financial period.

Retained earnings
Retained earnings represent cumulative profit and loss, net of distributions to owners.

	2023 **£'000**	**2022** **£'000**
Profit for the period after tax	11,423	9,129
Adjustments for:		
Taxation charge	2,076	[illegible]
Finance costs	[illegible]	716
Investment income	[illegible]	(21)
Profit on disposal of property, plant and equipment	(903)	(1,546)
Depreciation and impairment of property, plant and equipment	[illegible]	10,137
Pension scheme contribution	-	[illegible]
Movements in working capital		
Decrease in inventories	373	[illegible]
(Increase)/decrease in trade and other receivables	(13,039)	[illegible]
Increase/(decrease) in trade and other payables	11,686	(7,740)
Cash generated from operations	21,592	[illegible]

	4 April 2022 £'000	Cash flows £'000	2 April 2023 £'000
Cash at bank and in hand	28,228	14,686	42,914
	28,228	14,686	42,914
Preference shares	(15,814)	-	(15,814)
Obligations under finance leases	(6,215)	2,742	(3,473)
Net cash	6,199	17,428	23,627

The Company
The Company has entered into a cross guarantee with fellow Group undertakings for a global bank facility. Under this global facility, the contingent liability of the Group and Company at 2 April 2023 was £Nil (2022: £Nil)

At 2 April 2023, the Company had outstanding guarantees in respect of specific performance bonds amounting to £1,394,050 (2022: £1,944,050)

Joint Ventures
Clancy Docwra Limited is party to a joint arrangement in Optimise (Water) LLP, along with J Murphy & Sons Limited, Barhale Construction Plc and MWH UK Limited. The overdraft facility of the joint venture is covered by the partner companies, Clancy Docwra Limited, J Murphy & Sons Limited and MWH UK Limited in a ratio of 45:45:10 respectively. Of the total facility, Clancy Docwra Limited guarantees £Nil (2022: £Nil). The Group's exposure at 2 April 2023 is £Nil (2022: £Nil).

Clancy Docwra Limited is also party to a joint arrangement with Kier MG Limited, known as KCD Joint Venture. The banking facility of the joint venture is covered by the venturing parties Clancy Docwra Limited and Kier MG Limited in equal measure. The Group's exposure at 2 April 2023 was £Nil (2022: £Nil).

Amounts contracted for but not provided in the financial statements:

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Acquisition of property, plant and equipment	3,878	2,040	-	-

Lessee
At the reporting end date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows

	Group 2023 £'000	Group 2022 £'000 Reinstated	Company 2023 £'000	Company 2022 £'000
Within one year	5,266	4,577	-	-
Between one and five years	13,118	14,810		
	18,384	19,387	-	-

Notes to the financial statements (continued)

For the 52-week period to 2 April 2023

No material events have taken place since balance sheet date and the business has continued to trade in line with expectations.

Remuneration of key management personnel
The Company has taken advantage of the exemption not to disclose key management personnel compensation because the only key management personnel are the Directors, and there is a legal requirement to disclose Directors' remuneration.

Transactions with related parties
During the period, the Group entered into the following transactions with related parties.

Amounts due to related parties	**Sales 2023 £'000**	**Sales 2022 £'000**
Group		
Joint venture (note 16)	17,298	39,215

The following amounts were outstanding at the reporting end date.

	2023 £'000	**2022 £'000**
Group		
Directors	3,075	393

No guarantees have been given or received. The above transactions were performed at an arm's length basis. All the amounts are interest free and repayable on demand.

Dividends totalling £3,075,000 (2022: £285,000) were payable in the period in respect of shares held by the Directors of the company. At 2 April 2023 dividends totalling £2,746,000 were owed by the company to the Directors of the company in respect of these shareholdings. These amounts were settled in April 2023. During the period interest of £263,146 was paid to the Directors of the company in respect of preference shares held by them (2022 £190,000).

There is no overall controlling party.

Clancy Group Holdings Limited is the parent of the smallest and largest group for which consolidated financial statements are prepared and of which the Company is a member. Copies of the accounts can be obtained from the Company's registered office.

Streamlined Energy & Carbon Reporting Statement

Corporate and Social Responsibility Performance

tCO_2e ("equivalent tonnes of CO_2") reduction

Scope	Unit of Measurement	Emissions Scope	2022/23	2021/22	2020/21	2019/20
Emissions from gas/combustion of gas	tCO2e	1	45.65	419.26	1581.18	1968.57
Emissions from combustion of fuel for transport purposes	tCO2e	1	19,497.13	22,026.72	17,284.59	20,983.19
Total Scope 1	tCO2e		19,542.78	22,445.98	18,865.77	22,951.76
Emissions from purchased electricity (Location based)	tCO2e	2	194.18	210.2	208.9	301.74
Emissions from purchased electricity (Market based)	tCO2e	2	-	89.72	-	-
Emissions from business miles in BEV (Location based)	tCO2e	2	38.29	-	-	-
Total Scope 2	**tCO2e**		**194.18**	**89.72**	**208.9**	**301.74**
Emissions from business travel in rental cars or employee owned vehicles and one off purchases of fuel where the company is responsible for purchasing the fuel	tCO2e	3	76.56	269.65	222.35	375.72
Emissions from business travel using commercial flights (UK & global)	tCO2e	3	8.19	4.45	1.09	23.54
Emissions from business travel using taxis, trains, ferry	tCO2e	3	28.95	-	-	-
Total Scope 3	tCO2e		113.70	274.1	223.44	399.26
Total Energy Consumption	MWh		78,082.75	80,289.87	79,418.86	95,738.34
Total Gross emissions based on the above	tCO2e		19,850.66	22,809.81	19,298.11	23,652.76
Intensity ratio	tCO2e per £million turnover		59.58	77.48	75.19	80.41
	turnover £M		333.2	294.4	255.2	293

Methodology

The data has been compiled using the methodology below:

Scope 1 emissions from combustion of gas. Data for gas usage has been collated from records held by Clancy's energy broker and LPG gas deliveries recorded on our IFS purchasing system. Conversion factors used are DEFRA conversion figures for 2022 as published on www.gov.uk, UK Government GHG Conversion Factors for Company Reporting.

Scope 1 emissions from vehicle fuel in the form of white diesel and petroleum are taken from the fuel card management system from the Group fuel provider, bulk fuel deliveries and expense claims. This also includes fuel used in offsite plant and equipment. Conversion factors used are DEFRA conversion figures for 2022 as published on www.gov.uk, UK Government GHG Conversion Factors for Company Reporting.

Scope 2 emissions from purchased electricity was calculated from records held by our energy broker. All half hourly meter readings which account for 86 percent of electricity usage are from meter readings, the remaining 15 percent from non-half hourly are end of year estimates. Emissions from gas are based on end of year estimates provided by our energy broker. Conversion factors used are DEFRA conversion figures for 2022 as published in gov.uk, UK Government GHG Conversion Factors for Company Reporting.

Scope 2 emissions. We have chosen to report based on UK grid intensity (location based) and not market based. If we reported using the latter, our electricity related emissions would reduce to zero.

Scope 3 emissions. From employee owned vehicles (and claimed fuel purchases) are collated through the expenses process. Claimed expenses (£) are used to estimate the number of litres of fuel purchased (using an average £ per litre over the specified period). This has then been used to calculate emissions by applying the DEFRA GHG conversion factors 2022 for a medium sized car.

Scope 3 emissions. From flights, taxis, ferries and business travel are collated by the business from the expenses process. Flight distances have been taken from the ICAO calculator tool and DEFRA GHG conversion factors 2022 for domestic air travel which constitutes all business travel in the accounting period. This has not been included in the MWh due to the unavailability of a conversion metric, but emissions are deemed de minimis.

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