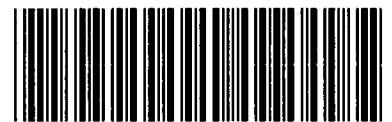


REGISTERED NUMBER: 01762648 (England and Wales)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022
FOR
SHERRYGREEN LIMITED - GROUP ACCOUNTS**

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FOR THE YEAR ENDED 31 MARCH 2022**

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SHERRYGREEN LIMITED - GROUP ACCOUNTS

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022**

DIRECTORS:

E O'Malley Esq
V O'Malley Esq
Ms T Taylor
S O'Malley Esq

SECRETARY:

E O'Malley Esq

REGISTERED OFFICE:

Teresa Gavin House
Woodford Avenue
Woodford Green
Essex
IG8 8FA

REGISTERED NUMBER:

01762648 (England and Wales)

AUDITORS:

BARNES ROFFE LLP
Chartered Accountants
and Statutory Auditor
Leytonstone House
Leytonstone
London
E11 1GA

BANKERS:

The Royal Bank of Scotland
1 Princes Street
London
EC2R 8BP

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The Directors present their strategic report on the Group for the year ended 31 March 2022.

PRINCIPAL ACTIVITY

The principal activities of the Sherrygreen Group in the year under review were Residential Development, Design and Build and Traditional Construction, Property Refurbishment, Property Maintenance Services and the Ownership and Management of our Property Assets and Investments. The Group's development activities are carried out both on its own account and through joint ventures.

STRATEGIC REVIEW

The 2021/22 trading year has again proved to be one of many extraordinary challenges. The issues caused by the Covid pandemic continued throughout the year with consequent impacts on efficiency and the prompt administration of projects. In the latter part of the year trading conditions were further impacted by the unforeseen Ukrainian conflict which caused energy and supply chain disruption resulting in levels of inflation not seen for decades. The extent and duration of this period of inflation are still to be established and its effects on our future years of trading are still not fully realised, although the business has acted promptly to minimise and wherever possible avoid consequent risks.

In addition, during this year we have seen a deliberate attempt by the government to absolve itself from its demonstrated failings as the Regulator of our industry over the past decades. Patently a solution was required to protect innocent leaseholders from any fire risks and the costs of rectifying their homes but attempts by the Government to ignore its' own culpability and lay it solely at the doors of the developer or constructor who were only part of the process is simply a travesty of justice. Fortunately, we have been working with many clients who have sought an amicable resolution of these issues but we have also made suitable financial provisions for any arising liabilities.

Despite the above the Directors are pleased to report another year of satisfactory trading for the Group. We continue to trade profitably with contracts continuing to be secured at levels of return commensurate with our trading targets.

Our continuing investment in our people, our processes and the community was reflected in the number of major contract awards and framework successes secured for the Group.

The Group's development arm, Sherrygreen Homes achieved an excellent rate of sales of its new homes and expectations are that this will continue in to the next year.

Most of our developments and our contracted construction works remain on programme although since the start of the Ukrainian conflict a shortage of material and labour has resulted in some disruption and increased costs.

The Group's Local Authority clients continued to increase their development plans which provided several major project wins over the period and this market is increasingly important to our future New Build construction workload. Viability of these schemes has often proven to be an issue but with our design and construction expertise we are working with many of these clients to monitor their costs and find cost efficiencies to enable the schemes to continue.

Our Planned Maintenance and Residential Refurbishment divisions also secured several large and long-term Public Sector contracts which reflects the standing of those divisions in their sectors.

We believe our mix of businesses supported by our strong balance sheet, strong cash position and secured forward workload places us in an excellent position to benefit as these current headwinds fall away.

FINANCIAL REVIEW

Despite these many extraordinary challenges and disruptions of 2021/22, the Board is delighted to report the Group delivered on all its commitments, maintained very high levels of client satisfaction and achieved a strong sets of results for the year. Consolidated turnover increased by 37% to £183.1 million (2021 £133.7 million) but most importantly for the Board the Group achieved an above industry average operating profit of £9.1 million a margin of 5% (2021 £5 million). These results again reflect the Board's long-standing policy to only pursue developments and contracts which satisfy our risk-return requirements, to monitor and always be aware of our costs and to continually seek operational efficiencies.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Group's financial position was however impacted by the Boards decision to make a financial provision of £9.98 million to meet legacy costs. The Board believes it is appropriate to make this provision at this time, in accordance with prevailing accounting standards. The impact of this provision is to reduce the Group balance sheet by £2.8 million in net assets to £109.8 million (2021 £112.5 million). The Group's investment property portfolio stands at £59.6 million (2021 £57.4 million). At the year end, the Group had a cash positive position of £16.2 million (2021 £4.1 million). During the year, the Group renegotiated its credit facilities with NatWest Bank PLC cancelling its existing unused £25 million RCF and arranging a new overdraft facility of £8 million which has remained unused.

The Group remains successful at replenishing its forward order book and at the 31 March 2022 this was a respectable £1,042 million. The Group recognises the benefits of growth but will not seek growth if it increases trading risk or harms its historic levels of profitability.

Key Performance Indicators

The Directors use financial measures such as turnover, profitability margins and levels of secured workload to monitor the Group's performances as these are considered the main drivers of the Group's continued success. Turnover and profitability margins are measured on the same basis as set out in the Income Statement and considered in the financial review above.

In addition, the Directors consider non-financial indicators. These include monitoring safety performance (which remains far above the industry average), client satisfaction levels (which are positively reflected in our reputation and in the levels of repeat and negotiated works across all divisions) and our client's Residents satisfaction levels from our Maintenance/Decent Homes works with less than 0.01% complaints when on average we work on 2,500 homes at any one time and our continuing high levels of staff retention.

BUSINESS STRATEGY

The Directors' long-term strategy is to continue its primary focus on developing, contracting and partnering with the public sector or public sector related clients across a range of workstreams to provide a steady foundation for our businesses and for our future growth. We believe this policy has been validated by current and previous results and by the ongoing numbers of opportunities that continue to flow from that sector.

We intend to remain risk aware and refuse contracts which do not provide financial returns commensurate with the expertise, investment and resources we employ. The Directors intend to keep our pricing and risk management policies under constant review. The Directors regularly review other public-sector construction opportunities and while we intend to remain a predominately residential based contractor we always consider and undertake non - residential projects if the risk/reward profile is acceptable.

The Group has proven strengths, an excellent reputation and a wide spread of work streams from its own developments; its partnerships and its public sector clients. These work streams are both capital and revenue funded and this allows us to react quickly to any policy changes by government and to reduce any recessionary influences on our business. Further with our considerable balance sheet strength we are well positioned to meet any financial concerns of our clients and our supply chain.

Our strong financial position also enables the Board to continue to invest considerable sums in ICT, innovation and in the ongoing skills and training of our workforce. The results of this policy are clearly seen in our retaining "Gold" status as Investors in People, our annual intake of over 25 trainees and apprentices, our ongoing training partnership with the Chartered Institute of Builders (CIOB) and Oxford Brookes University. Environmental concerns are also very important to the Board so we were delighted that our business and our construction activities achieved carbon neutrality for the seventh year in succession and the work of our environmental team recognised as the first company to become ESOS (Energy Savings and Opportunities Scheme) Phase 2 compliant. Safety remains of the highest importance to the Board and this ongoing emphasis was again seen in our excellent safety record reflected in our 30th International Safety Council award and by receiving the RoSPA President's Award Gold accreditation for the 13th successive year.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

To operate in London also requires us to be considerate of our neighbours and the community in which we work. This community ethic is demonstrated by the retention of our Silver level accreditation for the Fleet Operator Recognition (FORS) a voluntary scheme for the safe operation of our vehicles in London and for the Construction Logistics and Community Safety recognition (CLOCS) a similar transport initiative promoting good practice beyond basic legal compliance. We continue to incorporate social value at the heart of our business supporting many local community initiatives and investing considerable sums and effort in the training and education of the next generations.

BUSINESS ENVIRONMENT

The 2021/22 marketplace was again disrupted, initially by the ongoing repercussions of the Covid pandemic, Brexit and latterly by the disruptions accompanying the Ukraine conflict. Fortunately, due to our diverse workstreams and the resources of our business, we were able to minimise most of their negative impacts although they continue to be genuine risks to our future trading. Enquiries across all business streams remained strong and expectations are that this will continue for 2022/23 and beyond. It is too early to say if current inflationary pressures will continue in the next trading year or if we will soon return to more normal pricing. The Directors continue to view the London residential market as one of cyclical opportunity and suitable for ongoing capital investment albeit stability is unlikely to return to the market next year.

Public sector procurement is no longer governed by the Official Journal of European Union (OJEU) regulations, but the Government has implemented a similar system again requiring we meet a detailed and comprehensive set of criteria before we may tender for works. To save time and administration costs most public-sector clients implement these regulations by pre-qualifying a limited number of providers as an approved panel. These panels/frameworks are normally of a minimum four-year duration and they provide sole access to most public sector construction and major refurbishment programmes, so it is very important for our business to be included on as many of these as is possible. Our main construction arm, Mulalley undertakes the Groups New Build Construction, Planned Maintenance and Refurbishment works and represents the Group on more than 50 public sector developer, construction and maintenance panels.

New Build Construction

The Group's New Build division primarily contracts for Local Authorities and other public sector organisations as well as undertaking construction work for Sherrygreen Homes. It also undertakes joint venture residential developments for its public sector partners. It is currently on site with schemes for Barking and Dagenham, Hackney, Islington, Tower Hamlets, Transport for London and other social housing landlords such as Peabody, Southern Housing, One Housing, Optivo and Watford Housing Trusts.

These schemes and further successes not yet commenced on site has given New Build Construction a pipeline of more than 1500 new homes to build over the next four years. Our enquiry rates continue to be very strong so further successes are expected.

The Board remains very aware of the risks inherent in the traditional construction process. As highlighted in previous years, the standards of construction and the technical complexity of the buildings we produce continue to evolve to meet the design expectations and increased environmental and safety requirements of our clients and planning authorities. Therefore, despite a potential slowing of sales rates and reduction in sales values we expect a degree of cost inflation to continue to reflect this additional work as the industry chases the limited resources necessary to deliver these more complex and riskier projects. This shortage of resources also increases the contracting risk as most traditional or design and build contracts regrettably and short-sightedly seek to place such risk firmly with the contractor. This risk factor is currently greater than normal as these and other exceptional events such as the Ukraine conflict has increased inflationary pressures.

Shortfalls in the design sector lead the Group to invest in additional architectural and services designers to work with external consultants to ensure the compliance of our projects. This investment continues.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The Board continues to review its exposure to "design and build" construction contracts preferring partnerships based on open book, or two stage tenders. Such contracts allow us the opportunity to introduce value engineering and other efficiencies to benefit ourselves and our clients. This policy has proven very successful with many clients complementing our teams on their ability to deliver the highest quality product and provide value for money solutions - especially when their budgets are under cost pressure. Importantly these relationships also allow the flexibility to reduce or avoid potential cost increases and manage the delivery programmes of those long-term projects which are at greatest risk from supply chain price increases and pleasingly, as reflected in our contract awards we are now seeing greater numbers of informed clients seeking to work cooperatively with us to the benefit of their projects.

Planned Maintenance, Decent Homes and Residential Refurbishment

The Group has two trading divisions operating in this sector, "Planned Maintenance" and "Construction". Both divisions traded successfully over the period as Clients restarted their regular maintenance workstreams and commenced several fire/cladding remedial works contracts. Pleasingly, core/traditional enquiries continue strongly with new workstreams in education proving a success for the business and we expect this sector to be an increasing part of the business.

Joint Venture Developments

The Group has several joint ventures with Public Sector partners including One Housing Group and Peabody and actively seeks further opportunities.

During the year construction progressed on our project, Montmorency Park, in New Southgate, Enfield where Mulalley in partnership with One Housing Group are developing 517 new homes, 1,438 sqm of commercial space and a hotel over 6 phases. Phase 1, 2 and 3 comprising of 249 residential units, hotel and commercial space have been delivered and sold successfully. Phase 4 of the scheme comprising of 110 residential units is underway and due to complete in July 2024. The final phases 5 and 6 are due to commence on site in April 2023.

The Group has a second joint venture with One Housing Group for the regeneration of the Granville Road Estate in Golders Green, Barnet to provide 86 new houses and apartments for market sale and 46 shared ownership apartments. Work on site commenced in July 2019 and the sales launch is due to commence in July 2022 which is expected to generate a lot of interest.

The Group has another joint venture with the Peabody Trust to redevelop a former school site, Amersham Vale, to provide 120 new homes for market sale and affordable housing in Deptford, South East London. The location and the built quality of the units generated unusually high interest leading to an extremely high reservation rate with more than 80% now sold.

Residential Development

Sherrygreen Homes Limited is the Group's residential development arm managing its sole development opportunities and providing planning, sales and marketing advice to Mulalley on its joint ventures at Ladderswood, Granville Road and Amersham Vale. Despite the current uncertainties in the London residential market and its cyclical nature, the Directors remain convinced that the potential rewards of this sector justify its risk profile and intend to continue to invest in opportunities where they arise.

The Group is currently progressing its application for planning permission for its site at Anchor Wharf in Bow, London and discussions remain positive for a scheme of 227 residential units and 1,200 sqm of commercial space. A planning application was submitted in early 2022.

In 2015, the Group took possession of a new development site in Stratford, East London. The property has planning permission for 175 new homes in an 18-storey tower block. The Group has implemented its Planning Permission for 57 units on its site in Chrisp Street which received planning permission in 2017. The Board has received numerous unsolicited offers for the freehold interest in both sites which are currently under review.

In 2017, the Group acquired 100% shareholding in Barncroft Limited whose sole asset is a property adjacent to Lea Bridge Road station in East London. The directors believe this important site has the potential for a mixed-use development of more than 200 new homes and 2,800 sqm of commercial space.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

In 2018, the Group purchased an option on land in Epping and continues to progress its planned development of 93 new homes.

The Directors expect to see the benefit of these and further opportunities over the next five years.

PRINCIPAL RISKS AND UNCERTAINTY

Changes to Government Policies and Brexit

The effects of the Covid-19 pandemic, Brexit and inflation may have implications on our future levels of trading and our costs and if not managed correctly, profitability. Our experience of the numerous macro-economic crisis and recessions over our previous 50 years of trading is that some areas of spending will be reduced while other sectors will expand and most spikes in costs tend to be short term in nature until new resources or new capacity enters the market. However, we are not complacent and will continually monitor and assess any risks which may develop. Fortunately, with our very strong financial position and the breadth and long-term nature of much of our workload we are well positioned to cope with any changes and react as necessary.

Our policy remains not to vary our existing strategies and to continue to seek to minimise any potential harm to our business by only investing in development opportunities which meet our risk profiles and our strategy.

Our long-term policy of investing in freehold and commercial property continues to provide a solid and secure basis for our business with long term tenants underpinning these investments providing excellent covenants and a strong rent roll.

The Directors believe our strong financial position, secured workload, high levels of future opportunities and our investment properties portfolio will generate considerable revenue and future profit. We intend to continue our ongoing policy of reinvesting these monies in our people, our equipment and in financing our Group's development.

Project Delivery

Our sector already suffers from a shortage of trained staff, managers and operatives with the latter primarily sourced from other EU countries. We expect this position will remain until the Government puts in place its long-term policies on immigration. We will monitor this position regularly and continue our considerable investment in training and development of the community in which we work to seek to mitigate any adverse impacts from this.

Liquidity Risk

The Group's ability to secure and deliver work depends on its perceived financial strength and the availability of cash resources. The Group monitors its cash flow requirement to ensure adequate reserves are maintained to fund the growth strategies. The Group has in place a £8million overdraft facility to help manage short-term fluctuations in working capital. The Board maintains a close working relationship with its lenders.

Inflation

Most economic indicators point to a period of unusually high inflation which is likely to remain for between 18 months or 2 years or until the exceptional issues driving this are remedied and we can return to the 2% government target rate. We will regularly review and assess the likelihood, pace and scale of any movement in inflation and put in place suitable corrective measures.

CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to providing a safe and happy environment for our clients, employees, partners and people in the communities in which we operate and continuously review our policies to ensure we meet their needs.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The Board is proud to confirm that we have again proven our commitment to excellence in our corporate governance by achieving BSI certifications across our portfolio of UKAS accredited ISO management systems. BSI have recertified us for a further three years for our ISO9001:2015 Quality Management; ISO14001:2015 Environmental Management; ISO45001:2018 (SSIP) Occupational Health and Safety Management; and ISO50001:2018 Energy Management Systems. These certifications are internationally recognized and represent quality, reliability, and continual improvement, and are powerful business improvement tools that assist us in our quest for continuous improvement and enable us to be a more robust and resilient organisation.

Streamlined Energy and Carbon Report (SECR)

The Group is extremely focussed on its environmental responsibilities and remains committed to meeting the needs of the present without compromising the ability of future generations to meet their own needs. We have maintained our carbon neutral status for the seventh consecutive year. In the year we have again offset more emissions than we produced, enabling us to continue being Carbon Neutral. Unavoidable carbon emissions have been offset by supporting four projects from around the world, which reduce global emissions by more than an equivalent amount to that emitted by the company.

In line with SECR regulations, the Group's Greenhouse Gas (GHG) has been assessed following the ISO 14064-1:2018 standard and has used the 2021 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The table below summarises the GHG emissions for reporting year 2021/22.

Scope	Activity	Location-based tCO ₂ e	Market-based tCO ₂ e
Scope 1	Site gas	79.45	79.45
	Site Diesel (retail)	7.94	7.94
	Vehicle fuel usage	250.83	250.83
Scope 1 Sub Total		338.22	338.22
Scope 2	Electricity generation	311.49	185.90
Scope 2 Sub Total		311.49	185.90
Scope 3	Employee-owned car travel (grey fleet)	392.66	392.66
	Well To Tank	271.73	224.62
	Electricity transmission & distribution	27.57	12.86
Scope 3 Sub Total		691.95	630.13
Total tonnes of CO ₂ e		1,341.66	1,154.25
Tonnes CO ₂ e per £M turnover		7.74	6.66
Total Energy Consumption (kWh)*		4,765,320	

* Total Energy Consumption includes UK Electricity, UK Site Gas, Company Owned Vehicles and Employee-owned vehicles (grey fleet).

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Since last year, our total greenhouse gas emissions have increased, although we have reduced our overall emissions by 35.1% from our baseline year of 2016/17. The increase is a result of the effects of the global COVID-19 pandemic causing less disruption to our business last year and an increase in projects being delivered and subsequently turnover. Emissions have not increased back up to pre-pandemic levels (bearing in mind that Well-To-Tank emissions were first assessed in 2020/21). We continue to increase our electricity being sourced from renewable energy, which is now up to 66.7%, with another 5.4% from nuclear sources. Due to a change in our company car policy, we have moved a number of staff off the company car scheme and into the grey fleet category and we have seen an increase in staff purchasing electric vehicles. We have also increased the number of our ECO units on our sites and enhanced our ICT infrastructure, which have been our main energy efficiency improvements in the last year.

We have offset a further 1,155 tonnes of CO₂ this year, through investing in four project(s) that are verified against the Gold Standard VER / Verified Carbon Standard. Our business has therefore maintained Carbon Neutrality, now having offset a combined overall total of 10,605 tonnes.

Activity	2 nd Previous Year 2019/20 ¹	Previous Year 2020/21	Current Year 2021/22
Total energy consumed (kWh)	5,868,663	3,946,887	4,765,320
Total Gross Location-Based Emissions (all scopes) (tCO ₂ e)	1,447.88	908.82	1,341.66
Total Gross Market-Based Emissions (all scopes) (tCO ₂ e)	n/a	690.02	1,154.25
Renewable electricity generated & exported to national grid or third-party (tCO ₂ e)	None	None	None
Carbon offsets (tCO ₂ e)	1,450	1,000	1,155
Total Net Market-Based Emissions (tCO₂e)	-2.12²	-309.98	-0.75
Intensity ratio: tCO₂e (gross Scope 1 & 2, market-based) per £M revenue	10.63²	5.96	3.02

Our Environmental teams are highly regarded and many of our Clients have requested presentations and advice from them to assist in their own journey to carbon neutrality and environmental sustainability.

Our Environmental and Energy Management systems are embedded within our corporate governance systems, with strong performance management and analysis to ensure we continuously improve, meet our objectives and manage our risks and opportunities.

Social Value

Social Value is an important element of who we are and throughout the year the Group normally donates time and resources to support the communities where we work both via direct financial support such as donations to support Community Open days and initiatives. With the Covid pandemic most of these opportunities were cancelled or postponed. We replaced these by increasing our other community support programmes such as donating time and materials to local groups with a social purpose such as food banks, nurseries or elderly person facilities.

All of these rewards reflect the effort and investment we continually make in our business, the efforts and engagement of our staff and our wish to give back to the communities where we work.

Supply Chain

The Board recognises the significance of maintaining and developing strong and positive relationships with its supply chain partners which help us to be an employer of choice. We monitor our subcontractors' performance against set criteria and provide them with constructive feedback. Where possible we use local resources to ensure we harness innovation, achieve consistent quality and meet our responsible business goals.

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Health & Safety Environment

The Group is involved in activities and environments that have potential to cause injury to its employees, subcontractors, customers or members of the public as well as potentially damage property or the environment. The health and safety of people is the primary focus of the business. In order to control risk and prevent harm, the Group is focused on achieving the highest standards of health and safety management. This is achieved by establishing efficient and clear health and safety procedures which are ISO 45001 approved and ensuring that strong leadership and organisational arrangements are in place to operate these. We achieved an internationally recognised RoSPA President's (12 consecutive Golds) Award for demonstrating high health and safety standards.

A strong and empowered Health and Safety Committee meets regularly to review our processes and record their effectiveness on our sites and in our offices. The committee also updates and publishes to our staff and supply chain any changes to legislation, industry concerns and best practice via meetings and our company intranet. Health and safety performance is regularly reviewed by the Board and senior management.

Employees Policy

The Group has a policy to keep employees informed on issues which may affect or impact on their employment. This information is disseminated via our regular staff magazine "Insight", our intranet and internal departmental meetings. It is the Group's policy that equal opportunity and career development are available to all irrespective of gender, age, nationality, ethnic origin, religion, marital status or disability. The Group complies with current legislation with regard to disabled persons and gives full and fair consideration to their employment, training and career development. Persons who become disabled whilst in the employ of the Group are encouraged and assisted, whenever practicable, to enable continuity in their employment with retraining where appropriate. The Group does not tolerate sexual, mental or physical harassment in the workplace.

ON BEHALF OF THE BOARD:


Eamon O'Malley (Jul 26, 2022 18:41 GMT+1)

E O'Malley Esq - Director

26 July 2022

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2022.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2022 was £1,750,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

E O'Malley Esq
V O'Malley Esq
Ms T Taylor
S O'Malley Esq

DISCLOSURE IN THE STRATEGIC REPORT

The Group has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the group's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022

AUDITORS

The auditors, BARNES ROFFE LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Eamon O'Malley
Eamon O'Malley (Jul 26, 2022 18:41 GMT+1)

E O'Malley Esq - Director

26 July 2022

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SHERRYGREEN LIMITED - GROUP ACCOUNTS**

Opinion

We have audited the financial statements of Sherrygreen Limited - Group Accounts (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SHERRYGREEN LIMITED - GROUP ACCOUNTS

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page ten, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SHERRYGREEN LIMITED - GROUP ACCOUNTS**

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 a Report of the Auditors 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with law and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussion with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- The specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and FRS102;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing board minutes and inspecting legal correspondence;
- Laws and regulations were communicated within the audit team at the planning meeting, and during the audit as any further laws and regulation were identified. The audit team remained alert to instances of non-compliance throughout the audit; and
- As auditors of all group companies we were able to cover the above matters at a group and component level and thereby ensure the audit team were aware of the above matters across all group companies.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- Making enquires of management as to where they consider there was susceptibility to fraud and their knowledge of actual suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- Reviewing the financial statements and testing the disclosures against supporting documentation;
- Performing analytical procedures to identify any unusual or unexpected trends or anomalies;
- Inspecting and reviewing journal entries to identify unusual or unexpected transactions;
- Assessing whether judgement and assumptions made in determining significant accounting estimates were indicative of management bias; and
- Investigating the rationale behind significant transactions, or transactions that are unusual or outside the company's usual course of business

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SHERRYGREEN LIMITED - GROUP ACCOUNTS**

The areas that we identified as being susceptible to misstatement through fraud were:

- Management bias in the estimates and judgements made;
- Management override of controls; and
- Posting of unusual journals or transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Adam Dodds (Senior Statutory Auditor)
for and on behalf of BARNES ROFFE LLP
Chartered Accountants
and Statutory Auditor
Leytonstone House
Leytonstone
London
E11 1GA

26 July 2022

**CONSOLIDATED
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £'000	2021 £'000
TURNOVER	3	183,112	133,703
Cost of sales		<u>(161,108)</u>	<u>(117,618)</u>
GROSS PROFIT		22,004	16,085
Administrative expenses		<u>(13,408)</u>	<u>(11,841)</u>
		8,596	4,244
Other operating income		<u>576</u>	<u>777</u>
OPERATING PROFIT	6	9,172	5,021
Exceptional item	7	<u>(9,979)</u>	<u>-</u>
		(807)	5,021
Profit on revaluation of investment properties		2,173	-
Interest receivable and similar income		<u>11</u>	<u>13</u>
		1,377	5,034
Interest payable and similar expenses	8	<u>(177)</u>	<u>(297)</u>
PROFIT BEFORE TAXATION		1,200	4,737
Tax on profit	9	<u>(1,947)</u>	<u>(883)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(747)</u>	<u>3,854</u>
(Loss)/profit attributable to: Owners of the parent		<u>(747)</u>	<u>3,854</u>

The notes form part of these financial statements

**CONSOLIDATED
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

Notes	2022 £'000	2021 £'000
(LOSS)/PROFIT FOR THE YEAR	(747)	3,854
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(747)</u>	<u>3,854</u>
Total comprehensive income attributable to: Owners of the parent	<u>(747)</u>	<u>3,854</u>

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 MARCH 2022

		2022	2021
	Notes	£'000	£'000
FIXED ASSETS			
Intangible assets	12	379	-
Tangible assets	13	9,260	8,432
Investments	14	-	-
Investment property	15	59,610	57,400
		<u>69,249</u>	<u>65,832</u>
CURRENT ASSETS			
Stocks	16	67,123	76,686
Debtors	17	52,708	34,157
Cash at bank		16,179	4,083
		<u>136,010</u>	<u>114,926</u>
CREDITORS			
Amounts falling due within one year	18	77,076	62,452
NET CURRENT ASSETS		<u>58,934</u>	<u>52,474</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>128,183</u>	<u>118,306</u>
CREDITORS			
Amounts falling due after more than one year	19	(22)	(32)
PROVISIONS FOR LIABILITIES	24	(18,334)	(5,818)
NET ASSETS		<u>109,827</u>	<u>112,456</u>
CAPITAL AND RESERVES			
Called up share capital	25	168	168
Revaluation reserve	26	3,738	3,869
Capital redemption reserve	26	42	42
Retained earnings	26	105,879	108,377
SHAREHOLDERS' FUNDS		<u>109,827</u>	<u>112,456</u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 26 July 2022 and were signed on its behalf by:

Eamon O'Malley
Eamon O'Malley (Jul 26, 2022 18:41 GMT+1)

E O'Malley Esq - Director

The notes form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION
31 MARCH 2022

	Notes	2022 £'000	2021 £'000	2021 £'000
FIXED ASSETS				
Intangible assets	12	-	-	-
Tangible assets	13	5,778	5,827	5,827
Investments	14	10,274	10,274	10,274
Investment property	15	42,981	42,981	42,981
		<u>59,033</u>	<u>59,082</u>	<u>59,082</u>
CURRENT ASSETS				
Debtors	17	4,323	3,940	3,940
Cash at bank		404	-	-
		<u>4,727</u>	<u>3,940</u>	<u>3,940</u>
CREDITORS				
Amounts falling due within one year	18	7,304	5,805	5,805
NET CURRENT LIABILITIES		<u>(2,577)</u>	<u>(1,865)</u>	<u>(1,865)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>56,456</u>	<u>57,217</u>	<u>57,217</u>
PROVISIONS FOR LIABILITIES	24	5,401	4,138	4,138
NET ASSETS		<u>51,055</u>	<u>53,079</u>	<u>53,079</u>
CAPITAL AND RESERVES				
Called up share capital	25	168	168	168
Revaluation reserve	26	3,738	3,869	3,869
Capital redemption reserve	26	42	42	42
Retained earnings	26	47,107	49,000	49,000
SHAREHOLDERS' FUNDS		<u>51,055</u>	<u>53,079</u>	<u>53,079</u>
Company's (loss)/profit for the financial year		<u>(143)</u>	<u>9,598</u>	<u>9,598</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26 July 2022 and were signed on its behalf by:

Eamon O'Malley
Eamon O'Malley (Jul 26, 2022 18:41 GMT+1)

E O'Malley Esq - Director

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £'000	Retained earnings £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Total equity £'000
Balance at 1 April 2020	168	106,023	3,869	42	110,102
Changes in equity					
Dividends	-	(1,500)	-	-	(1,500)
Total comprehensive income	-	3,854	-	-	3,854
Balance at 31 March 2021	<u>168</u>	<u>108,377</u>	<u>3,869</u>	<u>42</u>	<u>112,456</u>
Changes in equity					
Dividends	-	(1,750)	-	-	(1,750)
Total comprehensive income	-	(747)	(131)	-	(878)
Balance at 31 March 2022	<u>168</u>	<u>105,880</u>	<u>3,738</u>	<u>42</u>	<u>109,828</u>

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £'000	Retained earnings £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Total equity £'000
Balance at 1 April 2020	168	40,902	3,869	42	44,981
Changes in equity					
Dividends	-	(1,500)	-	-	(1,500)
Total comprehensive income	-	9,598	-	-	9,598
Balance at 31 March 2021	<u>168</u>	<u>49,000</u>	<u>3,869</u>	<u>42</u>	<u>53,079</u>
Changes in equity					
Dividends	-	(1,750)	-	-	(1,750)
Total comprehensive income	-	(143)	(131)	-	(274)
Balance at 31 March 2022	<u>168</u>	<u>47,107</u>	<u>3,738</u>	<u>42</u>	<u>51,055</u>

The notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Cash generated from operations	1	18,375	14,821
Interest paid		(177)	(297)
Tax paid		(256)	(733)
Net cash from operating activities		17,942	13,791
Cash flows from investing activities			
Purchase of intangible fixed assets		(474)	-
Purchase of tangible fixed assets		(1,895)	(691)
Purchase of investment property		(37)	-
Sale of tangible fixed assets		312	233
Interest received		11	13
Net cash from investing activities		(2,083)	(445)
Cash flows from financing activities			
Loan repayments in year		(2,000)	(20,000)
New HP and finance leases/ (repayments)		(10)	42
Equity dividends paid		(1,750)	(1,500)
Net cash from financing activities		(3,760)	(21,458)
Increase/(decrease) in cash and cash equivalents		12,099	(8,112)
Cash and cash equivalents at beginning of year	2	4,083	12,192
Cash and cash equivalents at end of year	2	16,179	4,083

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£'000	£'000
Profit before taxation	1,200	4,737
Depreciation charges	948	673
Profit on disposal of fixed assets	(95)	(2)
Exceptional item	9,978	-
Finance costs	177	297
Finance income	(2,184)	(13)
	<u>10,024</u>	<u>5,692</u>
Decrease in stocks	9,563	2,039
(Increase)/decrease in trade and other debtors	(18,649)	3,086
Increase in trade and other creditors	<u>17,437</u>	<u>4,004</u>
Cash generated from operations	<u>18,375</u>	<u>14,821</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2022

	31/3/22	1/4/21
	£'000	£'000
Cash and cash equivalents	<u>16,179</u>	<u>4,083</u>

Year ended 31 March 2021

	31/3/21	1/4/20
	£'000	£'000
Cash and cash equivalents	<u>4,083</u>	<u>12,192</u>

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/21 £'000	Cash flow £'000	At 31/3/22 £'000
Net cash			
Cash at bank	4,083	12,096	16,179
	<u>4,083</u>	<u>12,096</u>	<u>16,179</u>
Debt			
Finance leases	(42)	10	(32)
Debts falling due within 1 year	(2,000)	2,000	-
	<u>(2,042)</u>	<u>2,010</u>	<u>(32)</u>
Total	<u>2,041</u>	<u>14,106</u>	<u>16,147</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. STATUTORY INFORMATION

Sherrygreen Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £1,000. The financial statements have been prepared on the going concern basis as, in the opinion of the directors, it is expected that funding from the group's bankers and other creditors will continue.

Basis of consolidation

The Group financial statements consolidate the financial statements of the holding undertaking and its subsidiaries drawn up to 31 March 2022. No profit and loss account is presented for Sherrygreen Limited as permitted by section 408 of the Companies Act 2006.

Entities in which the Group holds an interest and which are jointly controlled by the Group and one or more other venturers under a contractual arrangement are treated as joint arrangements. In the Group's financial statements, joint arrangements are accounted for using the proportional accounting method.

In the parent company financial statements investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements:

Significant judgements and estimates - Deferred tax

Management estimation is required to determine the amount of deferred tax assets and liabilities that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Significant judgements and estimates - Revaluation of investment properties

The Group carries its investment property at fair value, with changes in fair value being recognised in profit or loss. Fair value of investment property was determined by the Directors at 31 March 2022.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates - carrying value of work in progress

Stocks and finished goods include work in progress in respect of development sites. On each development judgement is required to assess whether the cost of any associated work in progress is in excess of its net realisable value. Work in progress is initially recognised at cost and the company undertakes regular reviews to consider whether any impairment to the balance is considered necessary.

Significant judgements and estimates - Operating lease commitments

The Group has entered into commercial property leases as a lessee under which it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover

Turnover is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, VAT and other sales taxes or duty.

Construction contracts

Turnover for construction contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years.

The stage of completion is measured by reference to cost incurred to date as a percentage of total construction cost for each contract.

The amount of profit attributable to the stage of completion of a long term contract is only recognised when the outcome of the contract can be foreseen with reasonable certainty. Where the contract outcome cannot be measured reliably, turnover is recognised only to the extent of the costs recognised that are recoverable.

Provision is made for any losses as soon as they are foreseen.

Unbilled revenue is included as amounts recoverable on contracts within debtors.

Sale of residential and development properties

Turnover and profit on the sale of residential and development properties is recognised when a legally binding contract for the sale has been completed and the risks and rewards of ownership of the property has passed to the customer which is generally on completion.

Rental income

Rental income is rent receivable and is recognised on accrual basis.

Interest income

Interest income is recognised as interest accrued using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES - continued

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of five years.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. Net surpluses on revaluation are taken to the revaluation reserve. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold properties	- 2% straight line
Plant and machinery	- 15% on reducing balance
Fixtures and equipment	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 20% on cost

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investment property

Certain of the group's properties are held for long-term investment. Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure.

Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the profit and loss account and accumulated in the profit and loss reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

Stock and work in progress

Stock and work in progress are stated at lower of cost and net realisable value. Cost is based on the production cost which comprises materials, direct labour and attributable production overheads. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Property developments in the course of construction are carried at cost as part of work in progress until such time as the property is complete.

Development land stock is stated at the lower of cost and net realisable value. Cost comprises the purchase price of land together with all attributable expenditure incurred in making ready the site for development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

2. **ACCOUNTING POLICIES - continued**

Current taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Hire purchase and leasing commitments

Rentals payable under operating leases are charged in the income statement account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Property, plant and equipment acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES - continued

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Joint arrangements

The company has certain contractual arrangements with other participators to engage in joint activities through special purpose vehicles. Whilst the special purpose vehicles are incorporated entities, the rights to assets and liabilities per the contractual arrangements are held by the participators, and therefore accounting under the equity method within the provisions of FRS 102 Section 15 Joint Ventures would not be considered to represent a true and fair view. In consideration of the substance of the arrangement over the form, and to provide a true and fair view in these financial statements, the company has adopted provisions under IFRS 11 (as permitted by FRS 102) and as such has accounted for its interests in these joint arrangements by recognising:-

- (a) its assets, including its share of any assets held jointly;
- (b) its liabilities, including its share of any liabilities incurred jointly;
- (c) its revenue from the sale of its share of the output arising from the joint arrangement;
- (d) its share of the revenue from the sale of the output by the joint arrangement; and
- (e) its expenses, including its share of any expenses incurred jointly.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

Investments

Fixed asset investments are stated at cost less any provision for impairment.

3. TURNOVER

The group turnover and group profit before taxation all relate to the group's activities as detailed in the group strategic report.

All turnover arose within the United Kingdom.

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£'000	£'000
Wages and salaries	33,923	31,504
Social security costs	3,277	3,011
Other pension costs	956	919
	<u>38,156</u>	<u>35,434</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

4. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	2022	2021
Operations	422	420
Administration	97	97
	<u>519</u>	<u>517</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 519 (2021 - 517).

5. DIRECTORS' EMOLUMENTS

	2022	2021
	£	£
Directors' remuneration	823,936	830,194
Directors' pension contributions to money purchase schemes	<u>26,000</u>	<u>26,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>4</u>	<u>4</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	231,617	230,417
Pension contributions to money purchase schemes	<u>6,500</u>	<u>6,500</u>

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2022	2021
	£'000	£'000
Hire of plant and machinery	5,228	4,011
Depreciation - owned assets	840	660
Depreciation - assets on hire purchase contracts	10	14
Profit on disposal of fixed assets	(95)	(2)
Computer software amortisation	95	-
Auditors' remuneration	94	68
Government grants	<u>305</u>	<u>2,055</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

7. EXCEPTIONAL ITEMS

	2022	2021
	£'000	£'000
Exceptional item	(9,979)	-

The exceptional items represents the financial provision to meet legacy costs. Given the size and nature of the provision, it is considered as an exceptional item and presented separately to provide users with a clear presentation of the underlying financial performance of the Group. There is still uncertainty in terms of timing for this payment.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£'000	£'000
Bank loan interest	177	297

9. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2022	2021
	£'000	£'000
Current tax:		
UK corporation tax	(459)	859
Deferred tax:		
Timing differences	2,406	24
Tax on profit	1,947	883

UK corporation tax has been charged at 19% (2021 - 19%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

9. TAXATION - continued**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£'000	£'000
Profit before tax	<u>1,201</u>	<u>4,736</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	228	900
Effects of:		
Capital allowances in excess of depreciation	-	(56)
Depreciation in excess of capital allowances	319	-
Expenses not deductible for tax purposes capital allowances	(14)	(121)
Deferred tax	1,415	160
Total tax charge	<u>1,948</u>	<u>883</u>

Factors affecting future tax charges:

The tax rate for the current year is set at 19%.

10. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

11. DIVIDENDS

	2022	2021
	£'000	£'000
Ordinary shares of £1 each		
Interim	<u>1,750</u>	<u>1,500</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

12. INTANGIBLE FIXED ASSETS

Group	Computer software £'000
COST	
Additions	474
At 31 March 2022	<u>474</u>
AMORTISATION	
Amortisation for year	95
At 31 March 2022	<u>95</u>
NET BOOK VALUE	
At 31 March 2022	<u><u>379</u></u>

13. TANGIBLE FIXED ASSETS

Group	Freehold properties £'000	Plant and machinery £'000	Fixtures and equipment £'000
COST OR VALUATION			
At 1 April 2021	6,111	6,030	883
Additions	-	1,288	-
Disposals	-	(98)	-
At 31 March 2022	<u>6,111</u>	<u>7,220</u>	<u>883</u>
DEPRECIATION			
At 1 April 2021	284	4,374	838
Charge for year	49	439	6
Eliminated on disposal	-	(85)	-
At 31 March 2022	<u>333</u>	<u>4,728</u>	<u>844</u>
NET BOOK VALUE			
At 31 March 2022	<u><u>5,778</u></u>	<u><u>2,492</u></u>	<u><u>39</u></u>
At 31 March 2021	<u><u>5,827</u></u>	<u><u>1,656</u></u>	<u><u>45</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

13. TANGIBLE FIXED ASSETS - continued**Group**

	Motor vehicles £'000	Computer equipment £'000	Totals £'000
COST OR VALUATION			
At 1 April 2021	1,715	2,152	16,891
Additions	281	326	1,895
Disposals	(858)	-	(956)
	<hr/>	<hr/>	<hr/>
At 31 March 2022	1,138	2,478	17,830
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
At 1 April 2021	1,219	1,744	8,459
Charge for year	143	213	850
Eliminated on disposal	(654)	-	(739)
	<hr/>	<hr/>	<hr/>
At 31 March 2022	708	1,957	8,570
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2022	430	521	9,260
	<hr/>	<hr/>	<hr/>
At 31 March 2021	496	408	8,432
	<hr/>	<hr/>	<hr/>

Cost or valuation at 31 March 2022 is represented by:

	Freehold properties £'000	Plant and machinery £'000	Fixtures and equipment £'000
Valuation in 2022	6,111	-	-
Cost	-	7,220	883
	<hr/>	<hr/>	<hr/>
	6,111	7,220	883
	<hr/>	<hr/>	<hr/>

	Motor vehicles £'000	Computer equipment £'000	Totals £'000
Valuation in 2022	-	-	6,111
Cost	1,139	2,478	11,720
	<hr/>	<hr/>	<hr/>
	1,139	2,478	17,831
	<hr/>	<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

13. TANGIBLE FIXED ASSETS - continued**Group**

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2022	2021
	£'000	£'000
Cost	2,511	2,511
Aggregate depreciation	594	574

The freehold properties were valued on an open market basis on 31 March 2022 by the directors with relevant experience in the location and category of the property being valued.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £'000
COST OR VALUATION	
At 1 April 2021	
and 31 March 2022	54
DEPRECIATION	
At 1 April 2021	14
Charge for year	10
At 31 March 2022	24
NET BOOK VALUE	
At 31 March 2022	30
At 31 March 2021	40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

13. TANGIBLE FIXED ASSETS - continued**Company**

	Freehold properties £'000
COST OR VALUATION	
At 1 April 2021	
and 31 March 2022	<u>6,111</u>
DEPRECIATION	
At 1 April 2021	284
Charge for year	<u>49</u>
At 31 March 2022	<u>333</u>
NET BOOK VALUE	
At 31 March 2022	<u><u>5,778</u></u>
At 31 March 2021	<u><u>5,827</u></u>

Cost or valuation at 31 March 2022 is represented by:

	Freehold properties £'000
Valuation in 2022	<u><u>6,111</u></u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2022 £'000	2021 £'000
Cost	<u><u>2,511</u></u>	<u><u>2,511</u></u>
Aggregate depreciation	<u><u>594</u></u>	<u><u>574</u></u>

The freehold properties were valued on an open market basis on 31 March 2022 by the directors with relevant experience in the location and category of the property being valued.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

14. FIXED ASSET INVESTMENTS

Company	Subsidiaries
	£'000
COST	
At 1 April 2021	
and 31 March 2022	<u>10,274</u>
NET BOOK VALUE	
At 31 March 2022	<u><u>10,274</u></u>
At 31 March 2021	<u><u>10,274</u></u>

The company's subsidiaries at the balance sheet date comprise the following wholly owned subsidiary undertakings all incorporated in England:- Mulalley & Co Ltd - ; Design and Build, Traditional Construction, Property Refurbishment, Property Maintenance and Residential Development; Lancaster Plant (Hire & Sales) Ltd - Hirers of plant and equipment; Sherrygreen Homes Ltd - property development; Barncroft Limited- Property letting; Chrisp Street & Co Ltd - Hire of plant and equipment; Bow Riverside Ltd - dormant; Mulalley Operations Ltd - dormant.

15. INVESTMENT PROPERTY

Group	Total
	£'000
COST OR VALUATION	
At 1 April 2021	57,400
Additions	37
Revaluations	<u>2,173</u>
At 31 March 2022	<u>59,610</u>
NET BOOK VALUE	
At 31 March 2022	<u><u>59,610</u></u>
At 31 March 2021	<u><u>57,400</u></u>
Cost or valuation at 31 March 2022 is represented by:	
	£'000
Valuation in 2022	<u><u>59,610</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

15. INVESTMENT PROPERTY - continued**Group**

If investment properties had not been revalued they would have been included at the following historical cost:

	2022	2021
	£'000	£'000
Cost	22,114	22,114
Aggregate depreciation	(2,593)	(2,444)

The investment properties were valued on an open market basis on 31 March 2022 by the directors with relevant experience in the location and category of the investment property being valued.

Company

	Total
	£'000
FAIR VALUE	
At 1 April 2021	
and 31 March 2022	42,981
NET BOOK VALUE	
At 31 March 2022	42,981
At 31 March 2021	42,981

16. STOCKS

	Group	
	2022	2021
	£'000	£'000
Stocks and work in progress	45,424	68,147
Finished goods	21,699	8,539
	67,123	76,686

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	29,505	15,525	95	233
Amounts recoverable on contracts	20,447	16,017	-	-
Amounts owed by group undertakings	-	-	4,065	3,660
Corporation tax recoverable	670	181	10	-
Social security & other taxes	321	237	-	-
Other debtors	939	1,802	45	34
Prepayments	826	395	108	13
	<u>52,708</u>	<u>34,157</u>	<u>4,323</u>	<u>3,940</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 20)	-	2,000	-	3,213
Hire purchase contracts (see note 21)	10	10	-	-
Trade creditors	4,319	3,559	133	146
Tax	47	859	-	209
Social security and other taxes	4,406	5,195	70	43
Other creditors	1,815	6,819	408	360
Amounts owed to group undertakings	-	-	6,680	1,820
Deferred income	14,080	10,720	-	-
Accrued expenses	799	882	13	14
Accrued costs on construction contracts	51,600	32,408	-	-
	<u>77,076</u>	<u>62,452</u>	<u>7,304</u>	<u>5,805</u>

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2022	2021
	£'000	£'000
Hire purchase contracts (see note 21)	<u>22</u>	<u>32</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

20. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts falling due within one year or on demand:				
Bank loans	-	2,000	-	2,000
Bank overdraft	-	-	-	1,213
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,213</u>
	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>3,213</u>

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2022	2021
	£'000	£'000
Net obligations repayable:		
Within one year	10	10
Between one and five years	22	32
	<u>32</u>	<u>42</u>

Group

	Non-cancellable operating leases	
	2022	2021
	£'000	£'000
Within one year	56	153
Between one and five years	59	-
	<u>115</u>	<u>153</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

22. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2022	2021
	£'000	£'000
Hire purchase contracts	<u>32</u>	<u>42</u>

The group have secured a £8 million Overdraft Facility with The Royal Bank of Scotland. The bank loans and overdrafts are secured by a debenture over the assets of the group.

23. FINANCIAL INSTRUMENTS

	Group	Company	
	2022	2021	2022
	£'000	£'000	£'000
Financial assets			
Financial assets that are debt instruments measured at amortised cost	<u>50,890</u>	<u>33,344</u>	<u>4,205</u>
Financial liabilities			
Financial liabilities measured at amortised cost	<u>(59,100)</u>	<u>(45,714)</u>	<u>(7,233)</u>

24. PROVISIONS FOR LIABILITIES

	Group	Company	
	2022	2021	2022
	£'000	£'000	£'000
Deferred tax			
Other timing differences	8,164	5,825	5,401
Accelerated capital allowances	534	206	-
Short term timing differences	(343)	(213)	-
	<u>8,355</u>	<u>5,818</u>	<u>5,401</u>
Other provisions	<u>9,979</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>18,334</u>	<u>5,818</u>	<u>5,401</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

24. PROVISIONS FOR LIABILITIES - continued**Group**

	Deferred tax £'000
Balance at 1 April 2021	5,817
Provided during year	2,538
	<hr/>
Balance at 31 March 2022	8,355
	<hr/>

Company

	Deferred tax £'000
Balance at 1 April 2021	4,138
Provided during year	1,263
	<hr/>
Balance at 31 March 2022	5,401
	<hr/>

The provisions recorded in the accounts are related to the legacy costs. The Board believes it is appropriate to make this provision at this time, in accordance with prevailing accounting standards.

25. CALLED UP SHARE CAPITAL**Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	2022 £'000	2021 £'000
168,000	Ordinary	£1	168	168
			<hr/>	<hr/>

The ordinary share capital carries full voting rights in respect of dividends and capital and to participate in a distribution.

26. RESERVES**Retained earnings**

The retained earnings consist of distributable and non-distributable reserves. The distributable reserve represents cumulative profits and losses net of dividends and other adjustments. The non-distributable reserve of £29,573,711 (2021 : £29,607,916) is used to record increases in the fair value of investment properties net of deferred tax and increases to the extent that such increase relates to an increase on the same asset.

Revaluation reserves

This reserve is used to record a surplus or deficit arising on the valuation of an asset of the group. The movement in the year represents a decrease in deferred tax provision.

Capital redemption reserve

This reserve represents the nominal value of shares repurchased by the parent company.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**

27. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Included within other debtors is a balance of £568,872 (2021 - £557,285) which is due from key management personnel of the group. Interest is charged on this balance at HMRC's official interest rate.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

28. JOINT ARRANGEMENTS

At the year end, the company held a 50% interest in New Ladderswood LLP and New Granville LLP, limited liability partnerships registered in England, which have been incorporated for the specific purpose of a joint arrangement.