

Company registration number 02417831 (England and Wales)

**MICK GEORGE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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MICK GEORGE LIMITED

COMPANY INFORMATION

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Directors	Mr M A George Mr M E George Mr N G Johnson Mr J P Stump Mr S A Costello Mrs K A Farrell Mr J A Gossage Mr R L Ward
Secretary	Mrs K A Farrell
Company number	02417831
Registered office	6 Lancaster Way Ermine Business Park Huntingdon Cambridgeshire PE29 6XU
Auditor	Mercer & Hole LLP Silbury Court 420 Silbury Boulevard Central Milton Keynes MK9 2AF

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# **MICK GEORGE LIMITED**

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# **MICK GEORGE LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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#### **Introduction**

The directors present the Group Strategic Report together with their audited financial statements for the year ended 30 September 2022.

#### **Business Review and Principal Activities**

The Group's principal activities continue to be the supply of materials and services to the construction industry and waste management services.

Group revenue for the year, excluding intercompany trading, increased by £34m to £227m a rise of approximately 17.6%. Group EBITDA remained relatively flat at £29.45m reflecting the rapid increases in operating costs incurred, resulting from a surge in the UK economic cost inflation levels, the Ukraine conflict and its impact on oil prices and the legislative change implemented to rebated diesel.

The balance sheet position of the group remains strong with net assets increasing to £77.6m from £66.9m. This includes a revaluation of the Group's quarry and landfill sites, which was carried out by Savills as at the 30<sup>th</sup> of September 2022. The Group has written down the value of its site at Rushton by c£3m during the year, due to entering the final year of its site lease and new terms not having yet been agreed with the landlord.

#### **Sustainable Development**

Operational excellence remains the focus and strategy, the objective to be "Best in Class" and ahead of our competitors. Operational performance is pivotal to optimising margin improvement, whilst ensuring effective management of health & safety, environment, quality and sustainable practices are continually reviewed and improved.

The Group has continued to invest in its sites and related plant and equipment in order to increase efficiency and achieve its goals and objectives. In the current financial year ending 30 September 2023 the Company will see the new quarry and landfill site open at Great Billing, Northamptonshire, this will significantly reduce its carbon footprint by eliminating vehicle mileage for both delivery of aggregates and the disposal of soils in the surrounding area.

Vehicle optimisation remains a key consideration and further development of Artificial Intelligence (AI) technology continues to help the Group reduce its empty vehicle miles. Further investment has also been made in new soil washing facilities at Mepal which will provide more sustainable routes of contaminated soil disposal, whilst producing a good volume of recycled aggregates that can be sold into the local market.

The strength of the Mick George brand enables the business to continuously develop the spread of its core activities throughout the region. This being supported by its large operating vehicle fleet, which has grown in excess of 500 HGV's, operating from over 40 different sites, with the Group now employing nearly 1,000 people. This is an indication of the scale to which the business has evolved over the years and explains why the Mick George Group has grown to become one of the leading suppliers to the Construction Industry in the heart of East Anglia and East Midlands.

Our aim is always to ensure that we set the highest possible standards to each and every stakeholder that comes in to contact with any aspect of our business, whether that be as an employee, supplier, customer or other. Our core values underpin everything we do. Innovation and forward thinking remain key to this strategy, helping develop a strong customer base with robust pipelines. Our geographical reach along with further development of existing and new operating areas will enable the business to maintain profitable and sustainable supply into the market.

## **MICK GEORGE LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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##### **Outlook**

The outlook for 2023 and beyond remains hugely positive, despite the challenging economic conditions that are expected to prevail. In December 2022 the shareholders agreed to sell the entire share capital of the Mick George Group to Hanson Quarry Products Europe Limited, the deal being subject to CMA approval. Following formal sale completion all of the current shareholders will continue with the business.

The Group will see the opening of several new mineral sites in 2023 which will enhance the Group's sustainability strategy through the provision of aggregates closer to their respective markets. Great Billing was mentioned above and there are three further sand and gravel sites opening at Mayton Wood, Norfolk, Husbands Bosworth, in South Leicestershire and Haddenham in Cambridgeshire.

##### **Principal risks and uncertainties**

###### **Financial Risk Management Objectives and Policies**

The Group uses financial instruments including bank loans and overdrafts, confidential invoice discounting, finance leases, hire purchase agreements and trade debtors and creditors. The main purpose of these financial instruments is to raise finance for the Group's operations. These instruments expose the Group to a number of financial risks, which are described below.

Securing long-term, competitive financing is core to the futureproofing of our business. Capital investment is key to the success of our growth and the requirement to forecast and invest in large plant and HGV in order to enable us to develop and work efficiently remains a high priority within the strategic plan for the Group.

The main risks arising from the Group's financial instruments are market risk, liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing these risks as summarised below; they remain unchanged from previous years.

###### **Market Risk**

The main risk is the fair value interest rate risk. The Group's policies for managing fair value interest rate risk are considered along with those for managing cashflow interest rate risk and set out under "interest risk" below.

###### **Interest Risk**

The Group finances its operations through a mixture of profits and bank and hire purchase (or similar) borrowings. The Group exposure to interest rate fluctuations on its borrowings is managed using both fixed and floating rate facilities.

###### **Liquidity Risk**

The Group seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet ongoing operations and future development. Short term debt finance flexibility is achieved by invoice discounting, hire purchase and bank loans. Cashflow monitoring and forecasting is a key task in the daily management of the business.

# **MICK GEORGE LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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### **Credit Risk**

Trade debtors are the key element of the group financial assets that provide a credit risk to the business by the likelihood of a default on a debt owed to the group for materials and services provided. The Group adhere to stringent policies in managing credit limits and minimising default risk by setting limits based on carrying out independent credit checks, credit agency and third-party references; payment history is also monitored based on trading history once this has been established. Close engagement with the sales team from the credit control department and regular reviews of customer credit limits, aged debt, and collection history along with spending patterns enable the minimisation of issues. The Group also maintain a strict on stop policy for overdue debt collection and the same principle for overtrading.

### **Development and performance**

#### **Accounting Controls**

The Group produces monthly management information and financial and operational KPI data to group reporting deadlines with strict close-off processes and controls. The impact of business fraud, and more recently Cyber Crime can be huge and extend far further than cost and financial impact to a business, the financial processes within the Group have stringent fraud prevention policies in place to combat any business risk and these are continually evaluated and updated when required. This extends right from the start of the customer journey with us all the way through to supplier payment processes and cash collection.

The Group forecasts detailed daily cash requirements for several months on a rolling basis with a higher-level cash profiling beyond this. The three-year plan to 30 September 2024 is currently being tracked against with an extended further two years plan currently being developed at strategic level reflecting the business strategy. The business continues to follow, monitor, and compare against the plan and all key operational activities are constantly reviewed and, if deemed appropriate, changes are implemented.

#### **Information Technology**

The Group continue to use the in-house Digital Transformation Team to develop automated solutions for the wider business that are designed to add value, drive efficiencies, reduce operational costs, provide competitive advantage, and boost profitability. Our data intelligence now provides key analytics to the Operational Boards allowing us to analyse market trends, review transactional data and monitor KPIs in real time, leading to more informed decision making across the Senior Management Team.

Ultimately the strategy is to continue improving the digital experience for everybody who interacts with the Group. Data compliance, governance and security are constantly reviewed to ensure appropriate measures are taken to minimise cyber threats.

As we continue to innovate across the Group, we have an exciting development roadmap for the next 24 months including a new multi-service customer portal with a dedicated client app.

The Digital Transformation Team and our in-house proprietary applications are underpinned by our core IT Team and equipment Infrastructure, which is required to seamlessly run business operations and ensure business continuity. Our Disaster Recovery strategy is routinely tested to ensure we are able to continue operating in the event of an unscheduled IT outage and we continue to invest in our IT Operations, digital security, and cyber defences to increase our levels of protection.

# MICK GEORGE LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### Competition

Customers are our greatest asset and provide the real value to the profitability of our business. The present and future needs of our customers at a sustainable profit remain at the core of what we do. Developing our digital strategy has enhanced our trading platform options, but it remains key to all parties to maintain a high level of direct customer contact. We continually face competition from the many competitors who operate across our region but our purpose and commitment to provide exceptional service to our customers enables us to retain and grow our market share.

#### Compliance

Ensuring compliance and the highest standards of Health and Safety is pinnacle to the success of our business. From the customer experience via delivery to residential customers or large-scale contracting sites, operating our large fleet of HGV vehicles and construction plant or operating on our network of quarries, landfill, and waster transfer stations, it is at the forefront of our behaviour and embedded in the culture of our employees.

As a respected commercial business, the Mick George Group complies with all the appropriate regulatory and legislative practices. We pride ourselves with maintaining the highest standards of compliance by complying with statutory and governing body regulations and continual investment in internal people and processes to maintain and develop the reputation we have built over the years.

#### Key performance indicators

##### Financial Key Performance Indicators

The key performance indicators monitored by the board are retained profits, turnover per employee and EBITDA. These are:

	2022 12 Months	2021 12 Months
Retained profits	£7,573,243	£7,400,178
Turnover per employee	£228,000	£200,000
EBITDA	£29,450,000	£29,400,000

The directors were satisfied with performance against the targets set and prevailing market conditions.

#### Other performance indicators

##### Other Key Performance Indicators

Additional key performance indicators which the board and its management team consistently monitor are wide ranging across its business operations and are provided using the Mick George Data Warehouse. Management information is supplied to the business using Power BI, CRM, Analysis Services, and Online Reporting. The Data Warehouse provides intelligence on the market and business performance, including staff absence and attrition, operating site inputs & outputs, vehicle optimisation & performance, vehicle fuel consumption, cost of idling and miles travelled, numbers of phone calls received, call agent performance, quote data and pricing analytics, ecommerce data, driver behaviour and m3 of concrete delivered. All are regularly monitored and reviewed with change, development and other actions initiated as appropriate.

## **MICK GEORGE LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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##### **Promoting the success of the company**

##### **Section 172(1) Statement and Statements on engagement with suppliers, customers, and others**

This report sets out how the Directors have complied with section 172 of the Companies Act 2006 in making its strategic decisions during the year and in considering the long-term consequences of those decisions and the need to maintain a reputation for high standards of business conduct.

##### **Stakeholder Engagement**

As the Board of Directors of the Mick George Group we have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the company's success for the benefit of its members, and to have regard to the long-term effect of our decisions on the company and its stakeholders. This statement addresses the ways in which we as a Board fulfil this responsibility:

##### **Company**

The Mick George Group has grown to become one of the leading suppliers to the construction industry in the heart of the Anglia and East Midlands. The business is now a multi-service supplier to residential, trade and commercial clients on a local and national basis. With our geographical expanse of quarries, inert and waste landfill sites and an impressive range of waste transfer recycling stations and concrete batching plants we can provide solutions and scalable supply of integrated services to a plethora of customers.

Our core values remain at the heart of the business and influence everything we do, from our customers journey through to the nurturing and development of our employees and ultimately the commitment to safety allow us to focus on our aim is to ensure that we provide the highest possible standards to every stakeholder that comes in to contact with any aspect of our business, whether that be as an employee, supplier, customer or other parties.

##### **Employees**

Our employees help promote our company reputation and are embedded in the success of our business. They are our natural ambassadors and one of our core assets. We are committed to nurturing our talent, training and development of our staff increases their potential and encouragement to share knowledge and skills enables our business to grow. Our employees are paramount to the connection with our customers and the public face of what we do. Delivering excellence is driven from our leadership team and maintaining a positive attitude and understanding our employees is essential to empowering them and building our relationships via our staff through to our customers.

##### **Customers**

Servicing and maintaining our customer base are vital to our business. The focus on winning, retaining and growing our customer base is embedded in everything we do. The customer journey is paramount to our growing business, a continued positive experience is aided via priority service levels, commitment to deliver excellence and key account management on large-scale projects. With a customer reach of more than 10,000 businesses and an extensive residential market understanding the needs and requirements of the customer base is fundamental. Our strong brand image and unwavering reputation to deliver is supported by our dedicated sales support function and aftercare teams. The focused marketing team and progressive on-line sales platforms ensure we are continually understanding the customer requirements and fulfilling the needs of these. The Group regularly seeks feedback from customers and continually reviews this when considering improvements to customer service.



## **MICK GEORGE LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

#### ***FOR THE YEAR ENDED 30 SEPTEMBER 2022***

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##### **Suppliers**

The company identifies the importance that our supply chain has on ensuring we deliver our corporate strategy. Effective supply-chain management and strong working relationships with our suppliers enable us to deliver our services into the market with excellence and with profitable outcomes. In challenging economic times this has become more important than ever, working with key suppliers in the construction industry and understanding the value of maintaining robust working relationships enables us to continue to be successful. The group continue to be a trusted partner within the construction industry and its commitment to compliance with various acts of legislation and regulatory requirements. Accreditations with Constructionline and Considerate Constructors provide further endorsements.

##### **Community**

The Mick George Group is proud of its ongoing community association and endeavours to continue contributing towards the many fantastic initiatives that are being completed in its operating areas by local groups and organisations. It is always at the centre of our brand.

The Mick George Community Funds support local community projects between the value of £10,000 and £50,000 and has supported many exciting projects throughout the year and continues to do so. The fund is administered independently by Grantscape a UK registered UK charity.

The Mick George Sports Fund in collaboration with Living Sport and Northamptonshire Sport supports physical activity schemes between £500 and £2,000. Our local sponsorship programme has supported both individuals, and groups with service-based support to facilitate many wonderful projects over the years.

##### **Environmental**

The Mick George Group continues to be fully invested in recognising the environmental responsibilities of the business.

Our industry knowledge and commitment to improve client waste practices means we provide clients with tailored Waste Management Solutions that will increase their recoverable materials, driving costs down and exceeding environmental requirements. By nature of our business our unique network of transfer stations, landfill sites and state-of-the-art recycling facilities enables us to deliver tailored waste solutions, meeting the highest environmental goals and service standards.

It is key to the success of our operations, supply chain relationships and servicing our customers to ensure we are compliant, we have a dedicated in-house team to manage and support the group on our environmental policies and responsibilities. This enables us to continue to support processes to reduce our carbon footprint.

We look to continually maximise our efficiencies by minimising the impact of our carbon footprint through the monitoring of our energy usage. By nature of our business fuel and gas oil consumption is large proportion of our environmental impact, we closely monitor this by education of our drivers and operational sites to reduce idle time and wastage.

The CO<sub>2</sub>e calculations are based on the HMRC publications relating to greenhouse gas reporting conversion factors for 2022 and our internal records for orders of fuel and energy consumption statements.

We have excluded bought in materials, such as cement used in the manufacture of concrete due to the product being acquired via third party supply. We have included the energy costs associated with combining the materials at our operational sites and the HGV fuel in making the delivery of the product.

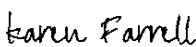
The Group is UKAS ISO 45001, 14001 and 9001 accredited, demonstrating its commitment to environmental care and quality. Our Ready-Mix Concrete business is also BES6001 accredited and holds BSI Kitemarks 594607 and 595582.

**MICK GEORGE LIMITED****STRATEGIC REPORT (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****Environmental**

Greenhouse Gas Emissions (tonnes of CO <sub>2</sub> e)							
		2021/2022	Per £'000 Turnover	Per employee	2020/2021	Per £'000 Turnover	Per employee
Scope 1	Diesel (HGVs)	27,858.08	0.122	27.94	31,399.70	0.162	32.44
	Diesel (cars and vans)	3,462.63	0.015	3.47	1,996.00	0.010	2.06
	Petrol (cars and vans)	156.30	0.001	0.16	143.80	0.001	0.15
	Fuel used for production (Plant and machinery)	26,226.46	0.115	26.31	31,954.20	0.165	33.01
	Kerosene for heating	6.33	0.000	0.01	12.20	0.000	0.01
Scope 2	Electricity	756.01	0.003	0.76	486.80	0.003	0.50
	Turnover £'000	227,502			193,962		
	Employees	997			968		

On behalf of the board

DocuSigned by:



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Mrs K A Farrell

**Director**

30 June 2023

# **MICK GEORGE LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 30 SEPTEMBER 2022***

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The directors present their annual report and financial statements for the year ended 30 September 2022.

#### **Principal activities**

The principal activity of the company continued to be that of the supply of construction and waste services consisting of earthworks, demolition and site clearance, waste management including skip hire, treatment and disposal, recycling, quarrying of aggregates, land restoration and landfill and the supply of ready mix concrete.

#### **Results and dividends**

The results for the year are set out on page 14.

Ordinary dividends were paid amounting to £1,780,000. The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr G Craven	(Resigned 5 November 2021)
Mr M A George	
Mr M E George	
Mr N G Johnson	
Mr P D Newman	(Resigned 1 October 2021)
Mr J P Stump	
Mr S A Costello	
Mrs K A Farrell	
Mr J A Gossage	
Mr R L Ward	

#### **Disabled persons**

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 within the group continues and that the appropriate training is arranged. 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.

#### **Employee involvement**

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Mercer & Hole LLP be reappointed as auditor of the group will be put at a General Meeting.

## **MICK GEORGE LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

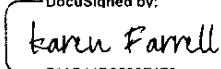
***FOR THE YEAR ENDED 30 SEPTEMBER 2022***

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#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

DocuSigned by:  
  
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Mrs K A Farrell  
**Director**

30 June 2023

## **MICK GEORGE LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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). 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 group and company, 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 UK 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# MICK GEORGE LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MICK GEORGE LIMITED

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#### Opinion

We have audited the financial statements of Mick George Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 the parent company's affairs as at 30 September 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and 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.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 our audit:

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

## **MICK GEORGE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MICK GEORGE LIMITED**

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#### **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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

## **MICK GEORGE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MICK GEORGE LIMITED**

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#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Steve Robinson FCA (Senior Statutory Auditor)  
For and on behalf of Mercer & Hole LLP**

30 June 2023

**Chartered Accountants  
Statutory Auditor**

Silbury Court  
420 Silbury Boulevard  
Central Milton Keynes  
MK9 2AF



**MICK GEORGE LIMITED****GROUP PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Notes	Continuing operations £	Discontinued operations £	30 September 2022 £	Continuing operations £	Discontinued operations £	30 September 2021 £
<b>Turnover</b>	<b>3</b>	227,502,177	-	227,502,177	193,601,860	-	193,601,860
<b>Cost of sales</b>		(179,840,673)	-	(179,840,673)	(149,524,196)	-	(149,524,196)
<b>Gross profit</b>		47,661,504	-	47,661,504	44,077,664	-	44,077,664
Administrative expenses		(32,518,158)	(107,089)	(32,625,247)	(29,386,557)	-	(29,386,557)
Other operating income		160,089	64,301	224,390	457,013	-	457,013
Exceptional item		(558,860)	-	(558,860)	(529,841)	-	(529,841)
<b>Operating profit</b>	<b>4</b>	14,744,575	(42,788)	14,701,787	14,618,279	-	14,618,279
Interest receivable and similar income	<b>8</b>	757	-	757	55,757	-	55,757
Interest payable and similar expenses	<b>9</b>	(1,857,052)	-	(1,857,052)	(1,448,358)	-	(1,448,358)
Amounts written off fixed assets and investments	<b>10</b>	(2,996,135)	-	(2,996,135)	(291,099)	-	(291,099)
<b>Profit before taxation</b>		9,892,145	(42,788)	9,849,357	12,934,579	-	12,934,579
Tax on profit	<b>11</b>	(2,276,114)	-	(2,276,114)	(5,534,401)	-	(5,534,401)
<b>Profit for the financial year</b>	<b>29</b>	7,616,031	(42,788)	7,573,243	7,400,178	-	7,400,178
Profit for the financial year is attributable to:							
- Owners of the parent company				7,578,592			7,406,875
- Non-controlling interests				(5,349)			(6,697)
				7,573,243			7,400,178

**MICK GEORGE LIMITED****GROUP STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
<b>Profit for the year</b>	7,573,243	7,400,178
<b>Other comprehensive income</b>		
Revaluation of tangible fixed assets and intangible assets	5,142,279	4,273,436
<b>Total comprehensive income for the year</b>	<u>12,715,522</u>	<u>11,673,614</u>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	12,720,871	11,680,311
- Non-controlling interests	<u>(5,349)</u>	<u>(6,697)</u>
	<u>12,715,522</u>	<u>11,673,614</u>

**MICK GEORGE LIMITED****GROUP BALANCE SHEET****AS AT 30 SEPTEMBER 2022**

		<b>2022</b>		<b>2021</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Goodwill	<b>14</b>		678,832		835,712
Other intangible assets	<b>14</b>		(2,035,623)		(3,086,452)
Total intangible assets			(1,356,791)		(2,250,740)
Tangible assets	<b>15</b>		124,154,985		118,503,605
Investments	<b>16</b>		50,001		50,001
			122,848,195		116,302,866
<b>Current assets</b>					
Stocks	<b>20</b>	9,710,990		7,085,557	
Debtors	<b>21</b>	77,218,313		59,498,415	
Cash at bank and in hand		1,470,898		1,226,965	
		88,400,201		67,810,937	
<b>Creditors: amounts falling due within one year</b>	<b>22</b>	(83,207,949)		(76,464,286)	
<b>Net current assets/(liabilities)</b>			5,192,252		(8,653,349)
<b>Total assets less current liabilities</b>			128,040,447		107,649,517
<b>Creditors: amounts falling due after more than one year</b>	<b>23</b>		(39,269,086)		(31,048,290)
<b>Provisions for liabilities</b>					
Deferred tax liability	<b>26</b>	11,105,332		9,683,813	
			(11,105,332)		(9,683,813)
<b>Net assets</b>			77,666,029		66,917,414
<b>Capital and reserves</b>					
Called up share capital	<b>28</b>		1,000		1,000
Revaluation reserve	<b>29</b>		14,630,192		9,826,620
Profit and loss reserves	<b>29</b>		62,845,382		56,708,083
<b>Equity attributable to owners of the parent company</b>			77,476,574		66,535,703
<b>Non-controlling interests</b>			189,455		381,711
			77,666,029		66,917,414

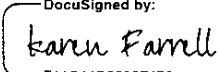
## **MICK GEORGE LIMITED**

### **GROUP BALANCE SHEET (CONTINUED)**

**AS AT 30 SEPTEMBER 2022**

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The financial statements were approved by the board of directors and authorised for issue on 30 June 2023 and are signed on its behalf by:

DocuSigned by:  
  
711C44D8232F470..  
Mrs K A Farrell  
**Director**

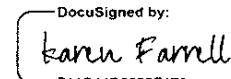
Company registration number 02417831 (England and Wales)

**MICK GEORGE LIMITED****COMPANY BALANCE SHEET****AS AT 30 SEPTEMBER 2022**

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15	65,072,318		51,957,563	
Investments	16	7,873,589		7,873,589	
		<u>72,945,907</u>		<u>59,831,152</u>	
<b>Current assets</b>					
Stocks	20	8,787,928	6,727,884		
Debtors	21	62,239,857	70,260,456		
Cash at bank and in hand		1,202,306	843,250		
		<u>72,230,091</u>	<u>77,831,590</u>		
<b>Creditors: amounts falling due within one year</b>	22	<u>(41,546,051)</u>	<u>(40,886,161)</u>		
<b>Net current assets</b>		<u>30,684,040</u>		<u>36,945,429</u>	
<b>Total assets less current liabilities</b>		<u>103,629,947</u>		<u>96,776,581</u>	
<b>Creditors: amounts falling due after more than one year</b>	23	(38,165,529)	(30,383,867)		
<b>Provisions for liabilities</b>					
Deferred tax liability	26	<u>6,937,244</u>	<u>5,873,088</u>		
		<u>(6,937,244)</u>	<u>(5,873,088)</u>		
<b>Net assets</b>		<u>58,527,174</u>		<u>60,519,626</u>	
<b>Capital and reserves</b>					
Called up share capital	28	1,000	1,000		
Revaluation reserve	29	9,632,073	9,198,515		
Profit and loss reserves	29	48,894,101	51,320,111		
<b>Total equity</b>		<u>58,527,174</u>		<u>60,519,626</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £646,010 (2021 - £4,062,777 profit).

The financial statements were approved by the board of directors and authorised for issue on 30 June 2023 and are signed on its behalf by:

DocuSigned by:  
  
 711C44D8232F470  
 Mrs K A Farrell  
 Director

Company registration number 02417831 (England and Wales)

**MICK GEORGE LIMITED****GROUP STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
<b>Balance at 1 October 2020</b>		1,000	6,313,281	50,191,111	56,505,392	189,455	56,694,847
<b>Year ended 30 September 2021:</b>							
Profit for the year		-	-	7,406,875	7,406,875	(6,697)	7,400,178
Other comprehensive income:							
Revaluation of tangible fixed assets and intangible assets		-	4,273,436	-	4,273,436	-	4,273,436
Total comprehensive income		-	4,273,436	7,406,875	11,680,311	(6,697)	11,673,614
Dividends	13	-	-	(1,650,000)	(1,650,000)	-	(1,650,000)
Transfers		-	(760,097)	760,097	-	-	-
Acquisition of subsidiary		-	-	-	-	198,953	198,953
<b>Balance at 30 September 2021</b>		1,000	9,826,620	56,708,083	66,535,703	381,711	66,917,414
<b>Year ended 30 September 2022:</b>							
Profit for the year		-	-	7,578,592	7,578,592	(5,349)	7,573,243
Other comprehensive income:							
Revaluation of tangible fixed assets		-	5,142,279	-	5,142,279	-	5,142,279
Total comprehensive income		-	5,142,279	7,578,592	12,720,871	(5,349)	12,715,522
Dividends	13	-	-	(1,780,000)	(1,780,000)	-	(1,780,000)
Transfers		-	(338,707)	338,707	-	-	-
Disposal of subsidiary		-	-	-	-	(186,907)	(186,907)
<b>Balance at 30 September 2022</b>		1,000	14,630,192	62,845,382	77,476,574	189,455	77,666,029

**MICK GEORGE LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 October 2020</b>		1,000	7,185,804	48,907,334	56,094,138
<b>Year ended 30 September 2021:</b>					
Profit for the year		-	-	4,062,777	4,062,777
Other comprehensive income:					
Revaluation of tangible fixed assets		-	2,012,711	-	2,012,711
Total comprehensive income		-	2,012,711	4,062,777	6,075,488
Dividends	13	-	-	(1,650,000)	(1,650,000)
<b>Balance at 30 September 2021</b>		1,000	9,198,515	51,320,111	60,519,626
<b>Year ended 30 September 2022:</b>					
Profit for the year		-	-	(646,010)	(646,010)
Other comprehensive income:					
Revaluation of tangible fixed assets		-	433,558	-	433,558
Total comprehensive income		-	433,558	(646,010)	(212,452)
Dividends	13	-	-	(1,780,000)	(1,780,000)
<b>Balance at 30 September 2022</b>		1,000	9,632,073	48,894,101	58,527,174

**MICK GEORGE LIMITED****GROUP STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	36	24,037,945		13,582,584	
Interest paid		(1,857,052)		(1,448,358)	
Income taxes paid		(784,425)		(2,502,381)	
<b>Net cash inflow from operating activities</b>		<b>21,396,468</b>		<b>9,631,845</b>	
<b>Investing activities</b>					
Purchase of business		-	(1,844,758)		
Cash disposed from disposal of business		(32,202)	-		
Purchase of intangible assets		(120,000)	-		
Purchase of tangible fixed assets		(24,486,615)	(16,986,578)		
Proceeds from disposal of tangible fixed assets		416,357	4,891,099		
Loans made		(8,104,693)	(796,379)		
Interest received		757	55,757		
<b>Net cash used in investing activities</b>		<b>(32,326,396)</b>		<b>(14,680,859)</b>	
<b>Financing activities</b>					
Proceeds from borrowings		2,316,000	-		
Repayment of borrowings		(236,251)	(605,586)		
Proceeds from new bank loans		35,400,000	7,130,001		
Repayment of bank loans		(24,810,001)	-		
Payment of finance leases obligations		(1,893,024)	(2,202,289)		
Dividends paid to equity shareholders		(1,780,000)	(1,650,000)		
<b>Net cash generated from financing activities</b>		<b>8,996,724</b>		<b>2,672,126</b>	
<b>Net decrease in cash and cash equivalents</b>		<b>(1,933,204)</b>		<b>(2,376,888)</b>	
Cash and cash equivalents at beginning of year		(15,538,495)		(13,161,607)	
<b>Cash and cash equivalents at end of year</b>		<b>(17,471,699)</b>		<b>(15,538,495)</b>	
<b>Relating to:</b>					
Cash at bank and in hand		1,470,898		1,226,965	
Bank overdrafts included in creditors payable within one year		(18,942,597)		(16,765,460)	



# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 1 Accounting policies

#### Company information

Mick George Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 6 Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU.

The group consists of Mick George Limited and all of its subsidiaries.

#### 1.1 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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value.

The Company has taken advantage of the exemption allowed under 408 of the Company Act 2006 and has not presented its own Profit and Loss Account in these financial statements.

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 and loss of the group. The company has therefore taken advantage from the disclosure requirements of the group to not present its own statement of cash flows.

The following principal accounting policies have been applied:

#### 1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("The Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The associates as detailed in Note 18 do not form part of the consolidation due to the group not having a controlling interest.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are *initially measured recognised at their fair values at the acquisition date. The results of acquired operations* are included in the Consolidated Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transaction to FRS 102, being 31 May 2014.

#### 1.3 Going concern

The financial statement have been prepared on a going concern basis, which assumed the Group will continue in operational existence for the foreseeable future. The results for the 2022 financial period show a profit before tax for the period of £9,849,357.

The directors have prepared projected profit and cashflow forecasts and believe that the group will have sufficient cash resources to satisfy its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements and so have prepared on a going concern basis. The financial statements do not include any adjustments that might arise if the going concern basis is not appropriate.

# **MICK GEORGE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

#### **1 Accounting policies**

**(Continued)**

##### **1.4 Revenue**

Revenue is recognised at the extent that is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the cost incurred or to be incurred in respect of the transaction can be measured reliably.

##### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### **1.5 Intangible fixed assets**

##### **Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Profit and Loss Account over its useful economic life.

##### **Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimate useful lives range as follows:

Positive Goodwill - 10 years  
Negative Goodwill - 10 years

##### **1.6 Tangible fixed assets**

Tangible fixed assets under the cost model, other than investment properties and landfill and quarry sites, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 1 Accounting policies

(Continued)

Depreciation is provided on the following basis:

Land and buildings	See note below
Plant and equipment	10% straight line
Fixtures and fittings	25% straight line
Motor vehicles	10% - 15%

Freehold land and assets in the course of construction are not depreciated.

Individual freehold and leasehold land and buildings are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

The significant majority of freehold and leasehold interests in the properties held by Mick George Ltd and Frimstone Ltd were independently valued as at 30 September 2022 by Savills (UK) Limited, acting in the capacity of External Valuers as defined in the RICS Red Book. The valuation accord with the requirements of FRS 102 and the RICS valuation - Global Standards 2017 incorporating the IVSC International Standards (the RICS Red Book) issued June 2017 and effective from 1 July 2017. The remaining assets were valued by the directors applying similar principles to those used by Savills and their extensive experience in the sector.

The Valuers and directors reported that the aggregate of the Fair Value of the properties held by Mick George Limited, Frimstone Limited and Mick George Recycling Limited (formerly MG Recycling Limited) amounted to £36.715 million as at 30 September 2022.

The valuations were arrived at predominantly by reference to market evidence for comparable properties.

Revaluation gains and losses are recognised in the Consolidated Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit and loss.

#### 1.7 Fixed asset 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 reliable 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.

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.

## **MICK GEORGE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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#### **1 Accounting policies**

**(Continued)**

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

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

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

#### **1.8 Impairment of fixed 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# **MICK GEORGE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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#### **1 Accounting policies**

**(Continued)**

##### **1.9 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks 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.

Stocks of aggregate extracted from the company's extraction sites are measured by the company's qualified valuer. The cost estimated by management is based on time and costs incurred during the extraction, preparation and grading processes for each class and grade of aggregate held at the balance sheet date. Costs of other consumables are recorded by reference to original price.

##### **1.10 Construction contracts**

Where the outcome of a construction 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.

Where the outcome of a construction 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 "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

##### **1.11 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets 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.

##### **1.12 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 in the group's balance sheet 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.

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 1 Accounting policies

(Continued)

##### **Basic financial assets**

Basic financial assets, which include debtors 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, 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 creditors, bank loans and loans from fellow group companies 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### 1 Accounting policies

(Continued)

##### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.13 Equity instruments

Equity instruments issued by the group are recorded at the 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.

#### 1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.15 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 fixed 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.

#### 1.16 Retirement benefits

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 1 Accounting policies

(Continued)

##### 1.17 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 balance sheet 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 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.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 1 June 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

##### 1.18 Government grants

Government grants are recognised at the fair value of the asset received or 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 performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 2 Judgements and key sources of estimation uncertainty

The Company makes judgements, estimates and assumptions that effect the application of policies and the carrying of values of assets and liabilities, income and expenses. The resulting accounting estimates calculated using these judgements will, by definition, seldom equal the actual results but are based on the experience of the directors and the expectation of future events. The estimates are review on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The key judgements and sources of estimation uncertainty include economic lives and valuation of intangible and tangible fixed assets.

#### 3 Turnover and other revenue

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Sale of services	227,502,177	193,601,860



**MICK GEORGE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

<b>3</b>	<b>Turnover and other revenue</b>	<b>(Continued)</b>	
		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	<b>Turnover analysed by geographical market</b>		
	UK	227,502,177	193,601,860
		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	<b>Other revenue</b>		
	Interest income	757	55,757
	Grants received	-	492,079
<b>4</b>	<b>Operating profit</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Operating profit for the year is stated after charging/(crediting):		
	Government grants	-	(492,079)
	Depreciation of owned tangible fixed assets	13,164,500	13,263,117
	Impairment of owned tangible fixed assets	-	291,099
	Loss on disposal of tangible fixed assets	1,119,384	1,291,116
	Amortisation of intangible assets	(98,927)	(295,098)
	Operating lease charges	2,579,022	3,719,170
	Government grants relate to amounts claimed under the government Coronavirus Job Retention Scheme.		
<b>5</b>	<b>Auditor's remuneration</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Fees payable to the company's auditor and associates:		
	<b>For audit services</b>		
	Audit of the financial statements of the group and company	73,150	64,400
	Audit of the financial statements of the company's subsidiaries	72,600	60,000
		145,750	124,400
	<b>For other services</b>		
	Taxation compliance services	28,600	28,100
	All other non-audit services	23,650	27,500
		52,250	55,600

**MICK GEORGE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****6 Employees**

The average monthly number of persons (including directors) employed by the group and company during the year was:

	<b>Group 2022 Number</b>	<b>2021 Number</b>	<b>Company 2022 Number</b>	<b>2021 Number</b>
Distribution Staff	760	757	392	380
Administrative Staff	136	138	89	93
Management Staff	101	73	63	47
<b>Total</b>	<b>997</b>	<b>968</b>	<b>544</b>	<b>520</b>

Their aggregate remuneration comprised:

	<b>Group 2022 £</b>	<b>2021 £</b>	<b>Company 2022 £</b>	<b>2021 £</b>
Wages and salaries	47,537,716	42,504,817	22,149,515	19,982,812
Social security costs	4,176,313	3,601,901	2,428,298	2,034,271
Pension costs	851,475	794,464	485,207	450,670
<b>Total</b>	<b>52,565,504</b>	<b>46,901,182</b>	<b>25,063,020</b>	<b>22,467,753</b>

**7 Directors' remuneration**

	<b>2022 £</b>	<b>2021 £</b>
Remuneration for qualifying services	1,781,271	1,228,587
Company pension contributions to defined contribution schemes	32,231	63,994
<b>Total</b>	<b>1,813,502</b>	<b>1,292,581</b>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 7 (2021 - 8).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	<b>2022 £</b>	<b>2021 £</b>
Remuneration for qualifying services	179,083	160,000
Company pension contributions to defined contribution schemes	3,522	4,340

**MICK GEORGE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****8 Interest receivable and similar income**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	757	56
Other interest income	-	55,701
<b>Total income</b>	<b>757</b>	<b>55,757</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	757	56

**9 Interest payable and similar expenses**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	769,318	534,016
Interest on invoice finance arrangements	561,435	299,324
Interest payable to group undertakings	-	130
Other interest on financial liabilities	3,100	4,792
	<b>1,333,853</b>	<b>838,262</b>
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	521,078	593,530
Other interest	2,121	16,566
<b>Total finance costs</b>	<b>1,857,052</b>	<b>1,448,358</b>

**10 Amounts written off fixed assets and investments**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Fair value gains/(losses) on fixed assets</b>		
Amounts written off fair value through profit or loss	(3,395,695)	(291,099)
<b>Other gains/(losses)</b>		
Gain on disposal of financial assets held at cost	399,560	-
	<b>(2,996,135)</b>	<b>(291,099)</b>

**11 Taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	877,695	1,910,641
Adjustments in respect of prior periods	(23,225)	(29)
<b>Total current tax</b>	<b>854,470</b>	<b>1,910,612</b>

**MICK GEORGE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****11 Taxation****(Continued)**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,421,644	3,623,789
	<u>1,421,644</u>	<u>3,623,789</u>
<b>Total tax charge</b>	<b>2,276,114</b>	<b>5,534,401</b>
	<u>2,276,114</u>	<u>5,534,401</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit before taxation	9,849,357	12,934,579
	<u>9,849,357</u>	<u>12,934,579</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	1,871,378	2,457,570
Tax effect of expenses that are not deductible in determining taxable profit	814,944	437,980
Adjustments in respect of prior years	(23,225)	(29)
Permanent capital allowances in excess of depreciation	(933,143)	(165,907)
Other permanent differences	-	(203,257)
Deferred tax adjustments in respect of prior years	342,663	2,461,377
Group adjustments not taxable	(135,467)	(145,744)
Chargeable gains/(losses)	338,964	692,568
Deferred tax adjustment	-	(157)
	<u>2,276,114</u>	<u>5,534,401</u>
<b>Taxation charge</b>	<b>2,276,114</b>	<b>5,534,401</b>
	<u>2,276,114</u>	<u>5,534,401</u>

**12 Discontinued operations****Fengate Land Holdings Limited**

On 28 January 2022 the group disposed of its holdings in Fengate Land Holdings Limited and its subsidiary Peterborough Sports Stadium Limited. Further details can be found in Note 30 of the financial statements.

**13 Dividends**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Recognised as distributions to equity holders:		
Final paid	1,780,000	1,650,000
	<u>1,780,000</u>	<u>1,650,000</u>

**MICK GEORGE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****14 Intangible fixed assets**

<b>Group</b>	<b>Goodwill</b>	<b>Customer relationships</b>	<b>Negative goodwill</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 October 2021	1,571,049	450,000	(5,446,022)	(3,424,973)
Additions	120,000	-	-	120,000
Disposals	-	-	675,022	675,022
At 30 September 2022	1,691,049	450,000	(4,771,000)	(2,629,951)
<b>Amortisation and impairment</b>				
At 1 October 2021	735,337	450,000	(2,359,570)	(1,174,233)
Amortisation charged for the year	276,880	-	(375,807)	(98,927)
At 30 September 2022	1,012,217	450,000	(2,735,377)	(1,273,160)
<b>Carrying amount</b>				
At 30 September 2022	678,832	-	(2,035,623)	(1,356,791)
At 30 September 2021	835,712	-	(3,086,452)	(2,250,740)
<b>Company</b>				<b>Goodwill</b>
				<b>£</b>
<b>Cost</b>				
At 1 October 2021				168,000
Additions				120,000
At 30 September 2022				288,000
<b>Amortisation and impairment</b>				
At 1 October 2021				168,000
Amortisation charged for the year				120,000
At 30 September 2022				288,000
<b>Carrying amount</b>				
At 30 September 2022				-
At 30 September 2021				-

**MICK GEORGE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****15 Tangible fixed assets**

<b>Group</b>	<b>Land and buildings £</b>	<b>Assets under construction £</b>	<b>Plant and equipment £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>						
At 1 October 2021	64,590,743	797,189	108,923,068	2,934,709	4,640,709	181,886,418
Additions	15,988,768	1,280,882	7,363,861	147,283	738,321	25,519,115
Disposals	(8,392,862)	-	(7,233,538)	-	(245,700)	(15,872,100)
Revaluation	1,746,584	-	-	-	-	1,746,584
At 30 September 2022	73,933,233	2,078,071	109,053,391	3,081,992	5,133,330	193,280,017
<b>Depreciation and impairment</b>						
At 1 October 2021	11,396,379	-	47,638,791	2,502,938	1,844,705	63,382,813
Depreciation charged in the year	3,158,062	-	9,200,259	198,846	607,333	13,164,500
Eliminated in respect of disposals	(3,487,130)	-	(3,775,639)	-	(159,512)	(7,422,281)
At 30 September 2022	11,067,311	-	53,063,411	2,701,784	2,292,526	69,125,032
<b>Carrying amount</b>						
At 30 September 2022	62,865,922	2,078,071	55,989,980	380,208	2,840,804	124,154,985
At 30 September 2021	53,194,364	797,189	61,284,277	431,771	2,796,004	118,503,605

**MICK GEORGE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****15 Tangible fixed assets****(Continued)**

<b>Company</b>	<b>Land and buildings £</b>	<b>Assets under construction £</b>	<b>Plant and equipment £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>						
At 1 October 2021	30,816,820	797,128	45,533,945	2,898,477	2,572,427	82,618,797
Additions	10,667,636	1,280,882	10,771,553	147,283	33,891	22,901,245
Disposals	(560,437)	-	(8,164,528)	-	(81,600)	(8,806,565)
Revaluation	433,558	-	-	-	-	433,558
At 30 September 2022	41,357,577	2,078,010	48,140,970	3,045,760	2,524,718	97,147,035
<b>Depreciation and impairment</b>						
At 1 October 2021	5,322,879	-	21,184,892	2,474,773	1,678,690	30,661,234
Depreciation charged in the year	1,574,272	-	4,191,370	197,286	325,557	6,288,485
Eliminated in respect of disposals	(560,437)	-	(4,233,524)	-	(81,041)	(4,875,002)
At 30 September 2022	6,336,714	-	21,142,738	2,672,059	1,923,206	32,074,717
<b>Carrying amount</b>						
At 30 September 2022	35,020,863	2,078,010	26,998,232	373,701	601,512	65,072,318
At 30 September 2021	25,493,941	797,128	24,349,053	423,704	893,737	51,957,563

The carrying value of land and buildings comprises:

	<b>Group 2022 £</b>	<b>2021 £</b>	<b>Company 2022 £</b>	<b>2021 £</b>
Freehold	16,783,132	18,405,389	10,528,922	11,028,648
Long leasehold	46,082,790	34,788,975	24,491,941	14,465,293
	<u>62,865,922</u>	<u>53,194,364</u>	<u>35,020,863</u>	<u>25,493,941</u>

The Group net book value of assets under hire purchase was £26,723,153 (2021 - £22,658,877). The depreciation charge in the period relating to these assets was £4,511,787 (2021 - £4,693,642).

Land and buildings were revalued as at 30 September 2022 by Savills (UK) Limited, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The directors have reviewed these values as at 30 September 2022.

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

**MICK GEORGE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****15 Tangible fixed assets****(Continued)**

		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
<b>Group</b>			
Cost		45,178,221	46,402,075
Accumulated depreciation		(8,951,161)	(14,060,992)
Carrying value		<u>36,227,060</u>	<u>32,341,083</u>
<b>Company</b>			
Cost		33,333,436	23,226,236
Accumulated depreciation		(6,228,434)	(5,522,507)
Carrying value		<u>27,105,002</u>	<u>17,703,729</u>

**16 Fixed asset investments**

	<b>Notes</b>	<b>Group</b>	<b>2021</b>	<b>Company</b>	<b>2021</b>
		<b>2022</b>	<b>£</b>	<b>2022</b>	<b>£</b>
		<b>£</b>		<b>£</b>	
Investments in subsidiaries	<b>17</b>	-	-	7,873,589	7,873,589
Investments in associates	<b>18</b>	50,001	50,001	-	-
		<u>50,001</u>	<u>50,001</u>	<u>7,873,589</u>	<u>7,873,589</u>

**Movements in fixed asset investments**

<b>Group</b>	<b>Shares in associates</b>
	<b>£</b>
<b>Cost or valuation</b>	
At 1 October 2021 and 30 September 2022	50,001
<b>Carrying amount</b>	
At 30 September 2022	50,001
At 30 September 2021	50,001



# **MICK GEORGE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 30 SEPTEMBER 2022**

<b>16</b>	<b>Fixed asset investments</b>	<b>(Continued)</b>
	<b>Movements in fixed asset investments</b>	
	<b>Company</b>	<b>Shares in subsidiaries</b>
		<b>£</b>
	<b>Cost or valuation</b>	
	At 1 October 2021 and 30 September 2022	7,873,589
	<b>Carrying amount</b>	
	At 30 September 2022	7,873,589
	At 30 September 2021	7,873,589

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 17 Subsidiaries

Details of the company's subsidiaries at 30 September 2022 are as follows:

Name of undertaking	Address	Class of shares held	% Held	
			Direct	Indirect
*Frimstone Limited	Note 1	Ordinary	100.00	-
Mick George Concrete Limited	Note 1	Ordinary	100.00	-
*MG Mini Limited (Mick George Mini Limited)	Note 1	Ordinary	50.00	-
*Connect 365 Limited	Note 1	Ordinary	100.00	-
Mick George Recycling Limited (formerly MG Recycling Limited)	Note 1	Ordinary	100.00	-
*MGPL Plant Limited (formerly Mick George Plant Limited)	Note 1	Ordinary	100.00	-
*Mick George Environmental Limited	Note 1	Ordinary	100.00	-
*MGPL Retail Ltd (formerly Mick George Retail Limited)	Note 1	Ordinary	100.00	-
*MG Vehicle Leasing Limited (formerly Mick George Vehicle Leasing Limited)	Note 1	Ordinary	100.00	-
*MGPL Demolition Limited (formerly Mick George Demolition Limited)	Note 1	Ordinary	-	100.00
*MG Contracting Limited (formerly Mick George Contracting Limited)	Note 1	Ordinary	100.00	-
*MGFM Limited (formerly Mick George Facilities Management Limited)	Note 1	Ordinary	100.00	-
*Mick George Property Limited	Note 1	Ordinary	100.00	-
Mick George Earthworks Limited	Note 1	Ordinary	100.00	-
*DRBS East Limited	Note 1	Ordinary	-	100.00
*Mick George Contracting Limited (formerly Mixco Concrete Limited)	Note 1	Ordinary	-	100.00
*Mick George Demolition Limited (formerly Apex Quick Skips Limited)	Note 1	Ordinary	-	100.00
*MGPL Recycling Ltd (formerly Mick George Recycling Limited)	Note 1	Ordinary	100.00	-
*Mick George EBT Trustee Limited	Note 1	Ordinary	100.00	-
*Clerkin Infrastructure Limited	Note 1	Ordinary	-	100.00

#### Registered office addresses (all UK unless otherwise indicated):

1) 6 Lancaster Way, Ermine Business Park, Huntingdon, Cambridgeshire, PE29 6XU

\* For the period 30 September 2022, the above companies were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. All the above companies were incorporated in England and Wales.

### 18 Associates

Details of associates at 30 September 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Markham & George Property Limited	UK	Ordinary	-	50
Campbell Buchanan George LLP	UK	Percentage holding	-	50

**MICK GEORGE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****19 Financial instruments**

	<b>Group</b>	<b>2021</b>	<b>Company</b>	<b>2021</b>
	<b>2022</b>		<b>2022</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	52,641,852	43,690,105	58,160,741	67,201,349
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	115,262,120	95,215,051	77,677,377	65,886,985

**20 Stocks**

	<b>Group</b>	<b>2021</b>	<b>Company</b>	<b>2021</b>
	<b>2022</b>		<b>2022</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Raw materials and consumables	2,379,079	1,784,086	1,589,301	1,426,413
Finished goods and goods for resale	7,331,911	5,301,471	7,198,627	5,301,471
	9,710,990	7,085,557	8,787,928	6,727,884

Stock recognised in cost of sales during the period as an expense amounted to £37,895,418 (2021 - £36,373,353).

**21 Debtors**

	<b>Group</b>	<b>2021</b>	<b>Company</b>	<b>2021</b>
	<b>2022</b>		<b>2022</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	28,278,069	32,525,950	11,096,091	14,632,593
Gross amounts owed by contract customers	15,714,634	11,006,166	-	-
Corporation tax recoverable	11,518	-	3,180	-
Amounts owed by group undertakings	-	-	33,051,294	46,983,189
Other debtors	26,785,927	11,206,594	14,776,066	5,585,567
Prepayments and accrued income	6,428,165	4,759,705	3,313,226	3,059,107
	77,218,313	59,498,415	62,239,857	70,260,456

**MICK GEORGE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****22 Creditors: amounts falling due within one year**

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	24	26,142,597	22,805,456	12,641,214	13,829,909
Obligations under finance leases	25	7,687,367	7,338,692	7,143,645	6,779,044
Other borrowings	24	2,625,615	545,866	2,625,615	545,866
Trade creditors		29,202,280	22,674,345	13,280,987	11,122,054
Corporation tax payable		1,789,412	1,717,406	-	163,216
Other taxation and social security		5,425,503	10,580,119	2,034,203	5,219,827
Other creditors		2,112,924	4,321,222	531,529	1,159,309
Accruals and deferred income		8,222,251	6,481,180	3,288,858	2,066,936
		<u>83,207,949</u>	<u>76,464,286</u>	<u>41,546,051</u>	<u>40,886,161</u>

**23 Creditors: amounts falling due after more than one year**

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	24	26,850,000	17,420,005	26,850,000	17,420,005
Obligations under finance leases	25	12,419,086	13,628,285	11,315,529	12,963,862
		<u>39,269,086</u>	<u>31,048,290</u>	<u>38,165,529</u>	<u>30,383,867</u>

**24 Loans and overdrafts**

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	34,050,000	23,460,001	34,050,000	23,460,001
Bank overdrafts	18,942,597	16,765,460	5,441,214	7,789,913
Other loans	2,625,615	545,866	2,625,615	545,866
	<u>55,618,212</u>	<u>40,771,327</u>	<u>42,116,829</u>	<u>31,795,780</u>
Payable within one year	28,768,212	23,351,322	15,266,829	14,375,775
Payable after one year	26,850,000	17,420,005	26,850,000	17,420,005

The long-term loans are secured by fixed charges over the group's land and buildings and by fixed and floating charges over the book debts and fixed assets.

**MICK GEORGE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****25 Finance lease obligations**

	<b>Group 2022</b>	<b>2021</b>	<b>Company 2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Future minimum lease payments due under finance leases:				
Within one year	7,687,367	7,338,692	6,591,013	6,779,044
In two to five years	12,419,086	13,628,285	11,868,161	12,963,862
	<u>20,106,453</u>	<u>20,966,977</u>	<u>18,459,174</u>	<u>19,742,906</u>

Finance lease payments represent rentals payable by the company or 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. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

**26 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	<b>Liabilities 2022</b>	<b>Liabilities 2021</b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
Accelerated capital allowances	9,586,882	8,608,812
Revaluations	1,551,474	1,105,470
Short term timing differences	(33,024)	(30,469)
	<u>11,105,332</u>	<u>9,683,813</u>
	<b>Liabilities 2022</b>	<b>Liabilities 2021</b>
	<b>£</b>	<b>£</b>
<b>Company</b>		
Accelerated capital allowances	6,332,025	5,322,556
Revaluations	622,543	566,926
Short term timing differences	(17,324)	(16,394)
	<u>6,937,244</u>	<u>5,873,088</u>

**MICK GEORGE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****26 Deferred taxation****(Continued)**

	<b>Group 2022 £</b>	<b>Company 2022 £</b>
<b>Movements in the year:</b>		
Liability at 1 October 2021	9,683,813	5,873,088
Charge to profit or loss	1,421,519	1,064,156
Liability at 30 September 2022	<u>11,105,332</u>	<u>6,937,244</u>

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances that are expected to mature within the same period.

**27 Retirement benefit schemes**

	<b>2022 £</b>	<b>2021 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>851,475</u>	<u>794,464</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

**28 Share capital**

<b>Group and company</b>	<b>2022 Number</b>	<b>2021 Number</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary A shares of 0.1p each	425,000	425	425	425
Ordinary B shares of 0.1p each	-	50	-	50
Ordinary C shares of 0.1p each	200,000	200	200	200
Ordinary D shares of 0.1p each	75,000	75	75	75
Ordinary E shares of 0.1p each	17,700	50	18	50
Ordinary F shares of 0.1p each	200,000	200	200	200
Ordinary G shares of 0.1p each	82,300	-	82	-
	<u>1,000,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

On 13 September 2022 the 1,000 ordinary £1 shares of the company were subdivided into 1,000,000 ordinary shares of £0.001.

On 13 September 2022 all 50,000 £0.001 ordinary B shares were converted into 50,000 £0.001 ordinary G shares.

On 13 September 2022 32,300 £0.001 ordinary E shares were converted into 32,300 £0.001 ordinary G shares.

The share classes A, C, D, E and F rank pari passu in all respects save that the dividends may be awarded to any class of share to the exclusion of some, or all other classes of shares and at varying dividend rates. The newly created ordinary G shares have no voting rights or rights to dividends.

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 29 Reserves

##### Revaluation reserve

The revaluation reserve includes all previous revaluation gains and losses.

##### Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

#### 30 Disposals

On 28 January 2022 the group disposed of its 87.5% holding in Fengate Land Holdings Limited. Included in these financial statements are losses of £159,667 and £37,267 respectively, arising from the company's interests in Fengate Land Holdings Limited and its subsidiary Peterborough Sports Stadium Limited up to the date of its disposal.

Net assets disposed of	£
Cash and cash equivalents	32,202
Property, plant and equipment	4,906,283
Negative goodwill	(675,022)
Trade and other receivables	764,078
Non controlling interest at disposal	(186,907)
Trade and other payables	(5,229,947)
Tax liabilities	(9,964)
Deferred tax	(282)
	<hr/>
	(399,559)
Gain on disposal	399,559
	<hr/>
Total consideration	-
	<hr/>
The consideration was satisfied by:	£
	-
	<hr/>

# MICK GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 31 Operating lease commitments

##### 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 2022 £	2021 £	Company 2022 £	2021 £
Within one year	9,425,576	8,420,338	9,425,576	8,420,338
Between two and five years	15,771,350	14,331,633	15,771,350	14,331,633
In over five years	16,223,758	17,841,676	16,223,758	17,841,676
	<u>41,420,684</u>	<u>40,593,647</u>	<u>41,420,684</u>	<u>40,593,647</u>

#### 32 Events after the reporting date

On the 10th of December 2022 the Directors and Shareholders of Mick George Limited, agreed to sell 100% of the Company's share capital to Hanson Quarry Products Europe Limited (Hanson UK), subject to relevant Competition and Markets Authority (CMA) approval.

The sale to Hanson UK will significantly strengthen their circular materials offering and contribute towards achieving net zero, while complementing their existing aggregates and ready-mixed concrete businesses. It will add a considerable recycling platform to their portfolio, supporting the development of innovative technologies for processing waste and upgrading it for use in the construction cycle as a valuable material.

All of the Mick George Group's Directors and former shareholders will be remaining with the business after CMA approval has been received.

It is expected the acquisition will be approved and completed in the third quarter of 2023.

#### 33 Related party transactions

##### Transactions with related parties

##### Other information

During the year Mick George Limited incurred cost totalling £nil (2021 - £nil) on behalf of Houghton Hall Equestrian Centre, a company owned by Mr M E George, a director. These costs have been recharged to Houghton Hall Equestrian and Alpaca Centre Limited. At the year end £378,082 (2021 - £378,082) was due from Houghton Hall Equestrian Centre.



**MICK GEORGE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****34 Directors' transactions**

Included with other debtors are amounts receivable from/(to) directors as follows:-

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Amounts receivable from directors	9,777,746	1,709,782
Directors' loans	-	(110,672)
Other advances made	249,901	425,729
	<u>10,027,647</u>	<u>2,024,839</u>

These balance arise from net advances to the directors during the year. There is no interest attributable to directors loan accounts.

**35 Controlling party**

At the year end there was no party that held significant control over the company.

**36 Cash generated from group operations**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit for the year after tax	7,573,243	7,400,178
<b>Adjustments for:</b>		
Taxation charged	2,276,114	5,534,401
Finance costs	1,857,052	1,448,358
Investment income	(757)	(55,757)
Loss on disposal of tangible fixed assets	1,119,384	1,291,116
Amortisation and impairment of intangible assets	(98,927)	(295,098)
Depreciation and impairment of tangible fixed assets	13,164,500	13,263,117
Other gains and losses	2,996,135	291,099
Decrease in provisions	-	(1,837,114)
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(2,625,432)	10,035
Increase in debtors	(10,367,765)	(15,824,453)
Increase in creditors	8,144,398	2,356,702
<b>Cash generated from operations</b>	<u>24,037,945</u>	<u>13,582,584</u>

**MICK GEORGE LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****37 Analysis of changes in net debt - group**

	<b>1 October 2021</b>	<b>Cash flows</b>	<b>New finance leases</b>	<b>30 September 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,226,965	243,933	-	1,470,898
Bank overdrafts	(16,765,460)	(2,177,137)	-	(18,942,597)
	<u>(15,538,495)</u>	<u>(1,933,204)</u>	<u>-</u>	<u>(17,471,699)</u>
Borrowings excluding overdrafts	(24,005,867)	(12,669,748)	-	(36,675,615)
Obligations under finance leases	(20,966,977)	1,893,024	(1,032,500)	(20,106,453)
	<u>(60,511,339)</u>	<u>(12,709,928)</u>	<u>(1,032,500)</u>	<u>(74,253,767)</u>

**38 Analysis of changes in net debt - company**

	<b>1 October 2021</b>	<b>Cash flows</b>	<b>30 September 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	843,250	359,056	1,202,306
Bank overdrafts	(7,789,913)	2,348,699	(5,441,214)
	<u>(6,946,663)</u>	<u>2,707,755</u>	<u>(4,238,908)</u>
Borrowings excluding overdrafts	(24,005,867)	(12,669,748)	(36,675,615)
Obligations under finance leases	(19,742,906)	1,283,732	(18,459,174)
	<u>(50,695,436)</u>	<u>(8,678,261)</u>	<u>(59,373,697)</u>