

Company Registration No. 03339937 (England and Wales)

**THE CLANCY GROUP LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE 53 WEEK PERIOD ENDED
3 APRIL 2022**



THE CLANCY GROUP LTD

COMPANY INFORMATION

Directors	M Bailey N J Blaber M S Cannon K T Clancy R M Clancy – Appointed 1 April 2021 J B Davey D Pegg
Secretary	D Pegg
Company number	03339937
Registered office	Clare House Coppermill Lane Harefield Middlesex UB9 6HZ
Auditors	PricewaterhouseCoopers LLP 40 Clarendon Road Watford WD17 1JJ
Bankers	Allied Irish Bank Ealing Cross 85 Uxbridge Road London W5 5TH

THE CLANCY GROUP LTD

STRATEGIC REPORT

FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

The directors present the strategic report for the period ended 3 April 2022.

Strategic review

During the period to 3 April 2022, the principal activity of the company continued to be that of a holding company, providing services to other companies in the group, and owning and managing property. The directors of the company are satisfied with the performance in this respect and believe this structure is the most effective and efficient in serving the wider interests of the group.

The key financial performance indicators for the company are set out below:

Financial Heading	53-week Period to 3 April 2022	52-week period to 28 March 2021
Revenue	£18.3m	16.3m
Gross profit	£17.2m	14.1m
Profit for the financial period	£0.1m	(£2.3m)
Net assets	£3.9m	£0.8m

No dividends were paid in the year, (2021: £9.7m). The company's revenues are derived from recharges provided in return for services to fellow group undertakings with the increase in part reflecting increased IT system related upgrade costs.

Principal risks and uncertainties

The Company acts as a service provider for the Clancy Group Holdings Limited group of companies "the group" which predominantly operate within the utility service provision and civil engineering sectors. As a consequence, the directors believe that the company's principal risks and uncertainties are aligned with those of its fellow related undertakings and may be outlined as follows:

Safety

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

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

Contract risk

The Group has both long-term and short-term contracts which expose the group to a range of risks. Failure to manage these could expose the business to financial loss or reputational damage.

The Group's largest client sector is the regulated water sector, which works to 5-year business plans defined by regulatory price controls and typically aligns its contracting arrangements with these periods. The group maintains a long forward order book, with the majority of work secured for the next 5 years, although those term contracts typically have no guaranteed revenue levels. The length of the contracts allows the group to develop mature client/contractor relationships and deal with contractual issues as they arise, and this was amply demonstrated by the collaborative approach we achieved with many of our clients through the lockdowns in the financial period.

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

THE CLANCY GROUP LTD

STRATEGIC REPORT (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

People

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

Inflation

During 2022 all sectors of the economy are experiencing high levels of inflation. Contractual mechanisms allow the business to mitigate some of the financial impact, but the Group is aware that continued rises will affect the business, our clients and our staff. Accordingly, we are monitoring categories of spend closely to identify further opportunities for mitigation.

Cyber

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

Process compliance

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

THE CLANCY GROUP LTD

STRATEGIC REPORT (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

Statement of directors' duties to stakeholders

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

Long term consequences of actions

As part of a group of ultimately family-owned businesses operating mainly under long-term contracts, and even longer-term relationships, The Group and the company are run in the interests of long-term resilience and success.

The directors always consider the possible long-term consequences of any proposed course of action, including safety and financial impacts and reputation with all stakeholders. The directors believe strongly that the long-term relationship that we have with the majority of our clients, and the experience of much of the leadership team, enabled the business to emerge in a strong post Pandemic commercial position and well placed to now deal with the twin challenges of rising cost inflation and a competitive labour market.

The interests of the Company's employees

The group and the Company take a long-term approach to employment, with many long-serving employees and employees from the same family.

2020-21 was an exceptional year in many ways, and the period under review has continued to challenge and test our employees in many new ways. We have been delighted by the positive way in which our team have continued to respond to the challenges, and the level of engagement they have demonstrated.

Throughout the year we have continued to build on the initiatives established by the group in the previous period. A series of live presentations were made by the Executive Team and senior managers, via Zoom, to the entire group workforce to update on business performance and current initiatives from both an operating and wellbeing perspective. These are now established quarterly.

Celebrating Clancy awards throughout the business continue to give recognition to those demonstrating the behaviours and values we champion. Each business area nominates and chooses its winners, who then progress to a group stage where overall winners are chosen. In October 2021 we were able to hold a socially distanced awards ceremony for over 100 people at the company's headquarters in Harefield. The local award winners for 2022 were announced in March 2022 and we held an enlarged ceremony celebrating the national winners in July.

Relationships with suppliers and customers

Our supplier base is wide and includes frameworks negotiated by our clients as well as ourselves. As with our customers, many relationships are long-standing, and we recognise the importance of our supply chain to the success of the business. We aim to treat all suppliers equally, and most importantly to pay them in line with contractual terms.

During the year the Group undertook an engagement roadshow with its key suppliers as part of its plan to revise its procurement pre-qualification processes and procedures and ensure that the process was properly communicated and understood ahead of the roll out in October 2021.

Impact on the community and the environment

In 2020-21 we launched the Clancy Charitable Foundation, with the aim of investing more directly in the communities where we operate. In 2021-22 we were delighted to be able to help make a small difference through our charitable donations to several charities including the Lighthouse Construction Industry Charity, Rennie Grove Hospice Care, and the Wycombe Youth Action Trust. In March the Group also offered financial support, via a sizeable donation to the Red Cross, in support of the work that organisation continues to do in Ukraine.

THE CLANCY GROUP LTD

STRATEGIC REPORT (CONTINUED)

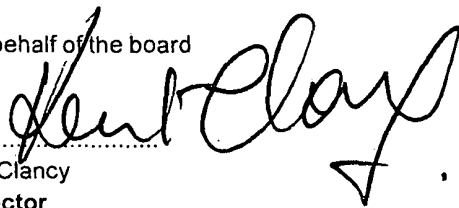
FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

Business conduct

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

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

On behalf of the board



K T Clancy
Director

Date: 8 December 2022

THE CLANCY GROUP LTD DIRECTORS' REPORT FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

The directors present their annual report and audited financial statements for the period ended 3 April 2022.

Principal activities

The principal activity of the company continued to be that of a holding company, providing services to other companies in the group, and owning and managing property. The directors of the company are satisfied with the performance in this respect and believe this structure is the most effective and efficient in serving the wider interests of the group.

Results and dividends

The results for the period are set out on page 11. The results cover the 53-week period ended 3 April 2022. The previous financial period was for the 52-week period ended 28 March 2021. The company operates on a 4:4:5 reporting calendar which the directors believe enables the operations of the business to be reported most effectively. During the period the company sold two of its fixed asset properties, (see note 12).

No dividends were paid during the year (2021: £10,300,000)

Directors

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

M Bailey
N J Blaber
M S Cannon
K T Clancy
R M Clancy
J B Davey
D Pegg

(Appointed 1 April 2021)

Qualifying third party indemnity provisions

The group headed by Clancy Group Holdings Limited, which includes the company, has made qualifying third party indemnity provisions for the benefit of the directors of all entities in the group during the period. These provisions remain in force up to the date of approval of these financial statements.

Financial risk management

The company has no third party borrowings and manages its liquidity risk in respect of its ability to settle trade payables through daily monitoring of its cash balances and weekly forecasting of planned cash receipts and payments, transferring funds between current and deposit accounts as required. As part of this process credit and cash flow risk from trade and other receivables are managed through policies on payment terms, and regular reviews of the balance and age of amounts outstanding and subscribing to third party credit monitoring of its customer basis for early indicators of any financial stress.

Employee engagement statement

As part of a group of ultimately family-owned businesses operating mainly under long-term contracts, and even longer-term relationships, The Group and the company are run in the interests of long-term resilience and success.

The directors always consider the possible long-term consequences of any proposed course of action, including safety and financial impacts and reputation with all stakeholders. The directors believe strongly that the long-term relationship that we have with the majority of our clients, and the experience of much of the leadership team, enabled the business to emerge in a strong post Pandemic commercial position and well placed to now deal with the twin challenges of rising cost inflation and a competitive labour market.

THE CLANCY GROUP LTD DIRECTORS' REPORT

FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022 Continued

The interests of the Company's and Group's employees

Clancy takes a long-term approach to employment, with many long-serving employees and employees from the same family.

2020-21 was an exceptional year in many ways, and the period under review has continued to challenge and test our employees in many new ways. We have been delighted by the positive way in which our team have continued to respond to the challenges, and the level of engagement they have demonstrated.

Throughout the year we have continued to build on the initiatives established by the group in the previous period. A series of live presentations were made by the Executive Team and senior managers, via Zoom, to the entire group workforce to update on business performance and current initiatives from both an operating and wellbeing perspective. These are now established quarterly.

Celebrating Clancy awards throughout the business continue to give recognition to those demonstrating the behaviours and values we champion. Each business area nominates and chooses its winners, who then progress to a group stage where overall winners are chosen. In October 2021 we were able to hold a socially distanced awards ceremony for over 100 people at the company's headquarters in Harefield. The local award winners for 2022 were announced in March 2022 and we held an enlarged ceremony celebrating the national winners in July.

Future developments

As part of a group with a healthy financial position the directors do not foresee any changes to its current operations and activities over the forthcoming financial period.

Auditors

During the year the Clancy Group's Audit and Risk Committee elected to tender the provision of audit services and at the end of that process appointed PricewaterhouseCoopers LLP. In accordance with the company's articles, a resolution proposing that PricewaterhouseCoopers LLP be reappointed as auditor of the company will be put at a General Meeting.

Strategic report

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

On behalf of the board



KT Clancy

Director

Date: 8 December 2022

THE CLANCY GROUP LTD DIRECTORS'
RESPONSIBILITIES STATEMENT FOR THE 53
WEEK PERIOD ENDED 3 APRIL 2022

The directors are responsible for preparing the Report and Financial Statements and the financial statements in accordance with applicable law and regulation.

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

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

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

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

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CLANCY GROUP LTD

Report on the audit of the financial statements

Opinion

In our opinion, Clancy Group Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 3 April 2022 and of its profit for the 53 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 3 April 2022; the statement of comprehensive income and statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CLANCY GROUP LTD (CONTINUED)

there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 3 April 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CLANCY GROUP LTD (CONTINUED)

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Matthew Mullins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
8 December 2022

THE CLANCY GROUP LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE 53-WEEK PERIOD ENDED 3 APRIL 2022

		53-week period to 3 April 2022 £'000	52-week period to 28 March 2021 £'000
	Notes		
Revenue	3	18,298	16,342
Cost of sales		(1,113)	(2,195)
Gross profit		17,185	14,147
Administrative expenses		(17,096)	(16,484)
Other operating income	3	13	379
Operating profit/(loss)	6	102	(1,958)
Investment income	7	-	1
Finance costs	8	(72)	(146)
Profit / (loss) before taxation		30	(2,103)
Tax on profit /(loss)	9	80	(211)
Profit / (loss) for the financial period		110	(2,314)
Other comprehensive income/ (expense) net of taxation			
Actuarial gain/(loss) on defined benefit pensionschemes		4,125	(480)
Tax relating to other comprehensive income / (expense)		(1,111)	91
Total comprehensive income / (expense) for the financial period		3,124	(2,703)

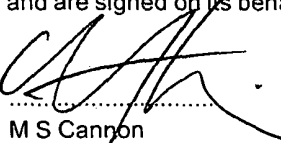
All of the company's comprehensive income arises from continuing operations. The notes on pages 14 to 31 form part of the financial statements.

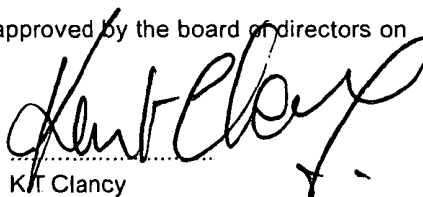
THE CLANCY GROUP LTD**STATEMENT OF FINANCIAL POSITION
AS AT 3 APRIL 2022**

	Notes	3 April 2022		28 March 2021	
		£'000	£'000	£'000	£'000
Fixed assets					
Property, plant and equipment	12		4,140		4,366
Investments	13		205		205
			4,345		4,571
Current assets					
Debtors due in more than one year	15		-	593	
Debtors due in less than one year	15	12,197		10,382	
Cash and cash equivalents		490		381	
		12,687		11,356	
Creditors due in less than one year	16	(15,562)		(13,414)	
Net current liabilities			(2,875)		(2,058)
Total assets less current liabilities			1,470		2,513
Deferred tax liabilities	17		(333)		-
Defined benefit pension asset / (liability)	18		2,782		(1,718)
Net assets			3,919		795
Equity					
Called up share capital	19		100		100
Retained earnings	20		3,819		695
Total equity attributable to the owners of the company			3,919		795

The notes on pages 14 to 31 form part of these financial statements.

The financial statements on pages 11 to 31 were approved by the board of directors on 8 December 2022 and are signed on its behalf by:


M S Cannon
Director


K T Clancy
Director

THE CLANCY GROUP LTD

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 3 APRIL 2022

	Notes	Share capital £'000	Retained earnings £'000	Total £'000
Balance at 30 March 2020		100	13,698	13,798
Period ended 28 March 2021:				
Loss for the financial period		-	(2,314)	(2,314)
Other comprehensive expense net of taxation:				
Actuarial loss on defined benefit plans		-	(480)	(480)
Tax relating to other comprehensive expense		-	91	91
Total comprehensive expense for the financial period attributable to the owners of the company		-	(2,703)	(2,703)
Transactions with owners:				
Dividends	10	-	(10,300)	(10,300)
Balance at 28 March 2021		100	695	795
Period ended 3 April 2022				
Profit for the financial period		-	110	110
Other comprehensive income net of taxation:				
Actuarial gain on defined benefit plans		-	4,125	4,125
Tax relating to other comprehensive income		-	(1,111)	(1,111)
Total comprehensive income for the financial period attributable to the owners of the company		-	3,124	3,124
Balance at 3 April 2022		100	3,819	3,919

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

1 Accounting policies

Company information

The Clancy Group Ltd is a private company limited by shares and is registered and incorporated in the United Kingdom. The registered office is Clare House, Coppermill Lane, Harefield, Middlesex, UB9 6HZ.

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

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 £'000.

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

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

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel and the exemption from disclosing related party transactions between wholly owned subsidiaries within the same group.

The company has also taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The Clancy Group Ltd is a wholly owned subsidiary of Clancy Group Holdings Limited and the results of The Clancy Group Ltd are included in the consolidated financial statements of Clancy Group Holdings Limited which are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

Reporting period

The results cover the 53-week period ended 3 April 2022. The previous financial period was for the 52-week period ended 28 March 2021. The company operates on a 4:4:5 reporting calendar which the directors believe enables the operations of the business to be reported most effectively.

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

1 Accounting policies (Continued)

Going concern

The company is reliant on the support of its parent company and other group companies for working capital requirements to meet its obligations as they fall due. The directors have reviewed the business plans and cash flow forecast both for the company and the wider Clancy Group Holdings Limited Group of companies for the period ended 2 April 2023 and are satisfied that these provide comfort that the business can continue to trade and meet its obligations as they fall due for a period of not less than 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on the going concern basis.

Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Property, plant and equipment

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

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

Freehold land and buildings	Not depreciated
Leasehold land and buildings	Not depreciated
Furniture, fittings and equipment	2 to 10 years on a straight line basis

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

The company's freehold buildings are non-specialised and in view of the company's policy on the maintenance of this property, the directors do not expect its residual value to fall below its carrying value in the foreseeable future.

Fixed investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

1 Accounting policies (Continued)

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks.

Financial instruments

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

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

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

Basic financial assets

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

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.

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

1 Accounting policies (Continued)

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 company 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 company after deducting all of its liabilities.

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

Equity instruments

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

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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

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

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

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

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

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

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

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

The company also operates an employees' defined benefit scheme, the details of which are outlined below. The scheme is closed to new entrants and no further contributions will be made to the scheme, apart from contributions to meet the shortfall in funding as a result of the deficiency of assets.

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

Exceptional items

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

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

1 Accounting policies (Continued)

Government grants

During the period, the directors have made use of the UK government Coronavirus Job Retention Scheme. 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

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

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

Critical judgements

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

Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no material indicators of impairments identified during the current financial period other than in respect of bad and doubtful trade debtor balances recognised in the financial statements.

Deferred tax

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

Impairment of investments

The company makes an estimate of the recoverable value of its investments. When assessing the impairment of investments, management considers whether the carrying amount of the investment exceeds its recoverable amount, and whether an impairment loss needs to be recognised in order to reflect the recoverable amount. During the period an impairment loss of £Nil (2021: £92,000) has been recognised.

Key sources of estimation uncertainty

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

Estimating value in use

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

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

2 Judgements and key sources of estimation uncertainty (Continued)

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

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

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

Defined benefit scheme

In measuring the estimated defined benefit pension obligation, management uses a set of assumptions. This set of assumptions are derived with the involvement of a qualified third party actuary and requires significant judgement in considering whether they are appropriate. Given the sensitive nature of these assumptions, the resulting impact on the obligation recognised at the period end and future periods may change. The assumptions selected and additional information is provided in note 18.

3 Revenue

	2022 £'000	2021 £'000
Revenue analysed by class of business		
Rent receivable	899	1,409
Service charge receivable	14,999	12,830
Hire of equipment	2,410	2,103
	<u>18,298</u>	<u>16,342</u>
	2022 £'000	2021 £'000
Other revenue		
Dividends received	-	1
Grants received – Furlough payments	13	379
	<u>13</u>	<u>380</u>

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

4 Employees

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

	2022 Number	2021 Number
Directors and management	28	24
Supervisory staff	2	1
Operatives	109	97
Total	139	122

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	9,081	8,106
Social security costs	1,163	780
Pension costs	404	335
	10,648	9,221

5 Directors' remuneration

	2022 £'000	2021 £'000
Wages and salaries	1,140	901
Pension costs	34	46
	1,174	947

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2021 - 4).

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

	2022 £'000	2021 £'000
Wages and salaries	288	222
Pension costs	4	31

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

6 Operating profit/(loss)

	2022	2021
	£'000	£'000
Operating profit/(loss) for the period is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	8	4
Depreciation of owned property, plant and equipment	345	420
Depreciation of property, plant and equipment held under finance leases	-	32
Operating lease rentals	45	39
Impairment of investments	-	92
	<u> </u>	<u> </u>

7 Investment income

	2022	2021
	£'000	£'000
Other income from investments		
Dividends received	-	1
	<u> </u>	<u> </u>

8 Finance costs

	2022	2021
	£'000	£'000
Interest on bank overdrafts and loans and other bank charges	42	52
Dividends on redeemable preference shares not classified as equity	-	10
Interest on finance leases and hire purchase contracts	-	7
Net interest on the net defined benefit liability	30	77
	<u> </u>	<u> </u>
	72	146
	<u> </u>	<u> </u>

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

9 Taxation

	2022 £'000	2021 £'000
Current tax		
UK corporation tax	163	-
Adjustments in respect of prior periods	(58)	(45)
Total current tax	<u>105</u>	<u>(45)</u>
Deferred tax		
Origination and reversal of timing differences	2	256
Changes in tax rates	(187)	-
Total deferred tax	<u>(185)</u>	<u>256</u>
Total tax (credit)/charge	<u>(80)</u>	<u>211</u>

The total tax charge for the period included in the statement of comprehensive income is lower (2021: higher) than the tax charge calculated at the standard rate of tax and can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2022 £'000s	2021 £'000s
Profit before tax	30	(2,103)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19% (2021: 19.00%)	6	(400)
Tax effect of expenses that are not deductible in determining taxable profit	(297)	310
Change in unrecognised deferred tax assets	(1)	51
Adjustments in respect of prior periods	(58)	(45)
Remeasurement of deferred tax changes in tax rates	80	-
Group relief	190	295
Taxation (credit) / charge for the period	<u>(80)</u>	<u>211</u>

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

	£'000	£'000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income / (expense)	<u>1,111</u>	<u>(91)</u>

10 Dividends

	2022 £'000	2021 £'000
Final paid - £Nil (2021: £103.00) per Ordinary share	<u>-</u>	<u>10,300</u>

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

11 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2022 £'000	2021 £'000
In respect of:			
Unlisted investments	13	-	180
Recognised in:			
Administrative expenses		-	108

12 Property, plant and equipment

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Furniture, fittings and equipment £'000	Total £'000
Cost				
At 29 March 2021	4,170	1,000	3,517	8,687
Additions	-	-	625	625
Disposals	(250)	(400)	(2,004)	(2,654)
At 3 April 2022	3,920	600	2,138	6,658
Depreciation and impairment				
At 29 March 2021	665	360	3,296	4,321
Depreciation charged in the period	-	-	345	345
Eliminated in respect of disposals	-	(144)	(2,004)	(2,148)
At 3 April 2022	665	216	1,637	2,518
Carrying amount				
At 3 April 2022	3,255	384	501	4,140
At 28 March 2021	3,505	640	221	4,366

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

13 Fixed asset investments

	Notes	2022 £'000	2021 £'000
Investments in subsidiaries	14	200	200
Listed investments		5	5
		<u>205</u>	<u>205</u>
Listed investments carrying amount		<u>5</u>	<u>5</u>
Market value if different from carrying amount		<u>33</u>	<u>26</u>

Movements in investments

	Shares in group undertakings	Other investments	Total
	£'000	£'000	£'000
Cost or valuation			
At 29 March 2021 and 3 April 2022	292	113	405
Impairment			
At 29 March 2021 and 3 April 2022	92	108	200
Carrying amount			
At 2 March 2021 and 3 April 2022	<u>200</u>	<u>5</u>	<u>205</u>

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

14 Subsidiaries

Details of the company's subsidiaries at 3 April 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Directly
Clancy Developments Limited	As below	Residential development	Ordinary	100.00
Clancy Docwra Limited	As below	Civil engineering, construction and utilities contracting	Ordinary	100.00
Clancy Docwra Parkover Limited	As below	Dormant	Ordinary	100.00
Clancy Investments Limited	As below	Dormant	Ordinary	100.00
EEC Linings Limited	As below	Dormant	Ordinary	100.00
Misbourne House Limited	As below	Dormant	Ordinary	100.00
Clancy Docwra/VWS (UK) JV Limited	As below	Dormant	Ordinary	100.00
Heritage (Breakspear) Limited	As below	Dormant	Ordinary	100.00
Breakspears Management Company Limited	As below	Dormant	Ordinary	100.00
M.J.Clancy & Sons Limited	As below	Dormant	Ordinary	100.00
Rees Pipeline Services Limited	As below	Dormant	Ordinary	100.00
Westwick Construction Limited	As below	Dormant	Ordinary	100.00

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

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

15 Trade and other receivables

	2022 £'000	2021 £'000
Amounts falling due within one period:		
Trade debtors	88	316
Corporation tax recoverable	-	48
Amounts owed by group undertakings	11,906	9,282
Other receivables	203	79
Prepayments and accrued income	-	657
	<u>12,197</u>	<u>10,382</u>

Amounts owed by group undertakings are interest free, repayable on demand and have no fixed repayment date.

Amounts falling due after one period:

	2022 £'000	2021 £'000
Deferred tax asset (Note 17)	<u>-</u>	<u>593</u>

16 Creditors falling due within one year

	2022 £'000	2021 £'000
Trade creditors	956	602
Amounts owed to group undertakings	1,873	837
Taxation and social security	9,043	6,227
Corporation tax payable	93	2,332
Accruals and deferred income	3,597	3,416
	<u>15,562</u>	<u>13,414</u>

Amounts owed by group undertakings are interest free, repayable on demand and have no fixed repayment date.

17 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liability 2022 £'000	Asset 2021 £'000
Balances:		
(Decelerated)/accelerated capital allowances	14	(6)
Retirement benefit obligations	(347)	599
	<u>(333)</u>	<u>593</u>

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

17 Deferred taxation – (continued)

Movements in the period	2022 £'000	2021 £'000
Asset at 29 March 2021 and 31 March 2020	593	758
Credit / (charge) to profit and loss	185	(256)
Charge / (credit) to other comprehensive income	(1,111)	91
(Liability) / asset at 3 April 2022 and 28 March	(333)	593

In March 2021, the Finance Bill 2021 was enacted and included legislation holding the main rate of corporation tax at 19% with effect from 1 April 2021 until 31 March 2023. In the Finance Bill 2021, it was also announced that the UK tax rate will increase to 25% from 1 April 2023.

As this change was substantively enacted at the balance sheet date, deferred tax is recognised at 25% in the current period (2021: 19%).

18 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. There were contributions of £49,000 outstanding at the period end (2021: £95,000).

Defined benefit schemes

The company is a member of a group pension scheme which provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Group, being invested with various investment managers and insurance companies. Contributions to the scheme are charged to the profit and loss account. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit credit method. The most recent valuation was at 14 March 2019.

Details of the main actuarial assumptions are given below. At 3 April 2022, there were no contributions payable to the fund to be included in creditors (2021: £Nil).

The most recent actuarial valuation showed that the value of the scheme's assets was £17,215,000 and that the actuarial value of those assets represents 87% of the benefits that had accrued to members, after allowing for expected increases in earnings. The scheme was closed to future accrual on 31 March 2010. Contributions are due into the scheme as part of the recovery plan following the March 2019 triennial. Prior period asset and liabilities have been updated, by an equal amount, to reflect the value of annuities held by the scheme previously excluded. There is no overall impact on the deficit in the scheme in the previous period.

Contributions and charges

£405,000 (2021: £2,394,000) was paid into the defined benefit scheme to fund pensions accrued to date.

A full actuarial valuation was carried out at 14 March 2019, this has been rolled forward to 3 April 2022 by a qualified independent actuary. The principal assumptions used by the actuary in the current year defined benefit calculation are outlined below.

	2022 %	2021 %
Key assumptions		
Discount rate	2.6	1.9
Expected rate of increase of pensions in payment	3.9	3.6
Retail price inflation	4.1	3.5
Consumer price inflation	3.7	3.1
Deferred pension revaluation	3.7	3.1

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

18 Retirement benefit schemes – (continued)

	2022	2021
<i>Mortality assumptions</i>		
Assumed life expectations on retirement at age 65:		
Mortality assumptions		
- Males	22.7	22.7
- Females	24.5	24.5

Retiring in 20 periods (current age 45)		
- Males	24.7	24.7
- Females	26.6	26.6

Mortality assumptions

The mortality base tables used are the SAPS3 combines amounts (2021: unchanged) with a 97% scaling factor for both males and females (2021: Unchanged) in conjunction with CMI2020 (2021: CMI2019) with a long term rate of improvement of 1.75% (2021: unchanged).

Amounts recognised in the income statement

	2022 £'000	2021 Restated £'000	2021 Actual £'000
Net interest on the defined benefit asset/(liability)	(30)	(77)	(77)

Amounts taken to other comprehensive income

	2022 £'000	2021 Restated £'000	2021 Actual £'000
Actual return on scheme assets	(1,694)	(2,545)	(2,455)
Less: Calculated interest element	397	375	359
Return on plan assets excluding interest income	(1,297)	(2,170)	(2,096)
Actuarial changes related to obligations	(2,828)	2,650	2,576
Total (gain)/loss	(4,125)	480	480

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

	2022 £'000	2021 Restated £'000	2021 Actual £'000
Present value of defined benefit obligations	(19,387)	(22,508)	(21,766)
Fair value of plan assets	22,169	20,790	20,048
Surplus/(Deficit) in scheme	2,782	(1,718)	(1,718)

Movements in the present value of defined benefit obligations

	2022 £'000	2021 Restated £'000	2021 Actual £'000
Liabilities at 28 March 2021 and 30 March 2020	22,508	20,183	19,458
Benefits Paid	(720)	(777)	(704)
Actuarial (gains)/losses	(2,828)	2,650	2,576
Interest Cost	427	452	436
Liabilities at 3 April 2022 and 28 March 2021	19,387	22,508	21,766

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

18 Retirement benefit schemes (continued)

<i>The defined benefit obligations arise from plans funded as follows:</i>	2022 £'000	2021 Restated £'000	2021 Actual £'000
Wholly or partly funded obligations	19,387	22,508	21,766
<i>Movements in the fair value of plan assets</i>	£'000	£'000	£'000
Fair value of assets at 3 April 2022 and 28 March 2021	20,790	16,628	15,903
Interest income	397	375	359
Return on plan assets (excluding amounts shown in net interest)	1,297	2,170	2,096
Benefits paid	(720)	(777)	(704)
Contributions by scheme members	405	2,394	2,394
Fair value of assets at 3 April 2022 and 28 March 2021	22,169	20,790	20,048

The actual return on plan assets was a gain of £1,694,000 (2021 Actual: £2,455,000 gain, 2021 Restated: £2,545,000 gain).

The analysis of the scheme assets at the reporting date were as follows:

	2022 £'000	2021 Restated £'000	2021 Actual £'000
Equities	11,096	10,508	10,508
Bonds	4,055	3,341	3,341
Property	1,238	2,667	2,667
Annuities	681	742	0
Cash	4,463	2,852	2,852
Other	636	680	680
Total Assets	22,169	20,790	20,048

19 Share capital

	2022 Number	2021 Number	2022 £'000	2021 £'000
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	100,000	100,000	100	100

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

20 Retained earnings

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

21 Financial commitments, guarantees and contingent liabilities

The company has entered into a cross guarantee with its group undertakings for a global bank facility. The borrowings are covered by way of a letter of guarantee between the companies, and a first charge on certain properties owned by the parent company. Under this global facility, the contingent liability of the company

THE CLANCY GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 53 WEEK PERIOD ENDED 3 APRIL 2022

21 Financial commitments, guarantees and contingent liabilities (continued)

at 3 April 2022 for the net bank overdraft and bank loans was £nil (2021: £nil). **Operating lease commitments**

At the reporting period the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£'000	£'000
Within one year	54	90
Within two to five years	106	-
	<u>160</u>	<u>90</u>

22 Related party transactions

During the period the company had no reportable transactions with related parties.

23 Ultimate controlling party

The immediate and ultimate parent company is Clancy Group Holdings Limited, a company registered in the United Kingdom, whose registered office is Clare House, Coppermill Lane, Harefield, Middlesex, UB9 6HZ. Clancy Group Holdings Limited is the parent of the smallest and largest group for which consolidated accounts are prepared and of which the company is a member.

There is no overall controlling party of the ultimate parent company the shares of which are held by individuals.

The consolidated accounts of Clancy Group Holdings Limited are available to the public and can be obtained from Companies House.