REGISTERED NUMBER: 07644731 (England and Wales)

Concrete Canvas Group Limited

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements for the Year Ended 31 August 2023

Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Contents of the Consolidated Financial Statements
for the Year Ended 31 August 2023

Concrete Canvas Group Limited

Company Information
for the Year Ended 31 August 2023

Directors:	Mr P E Brewin Mr W C Crawford Mr R D Winter
Registered office:	CCHQ Cowbridge Road Talbot Green Pontyclun CF72 8HL
Registered number:	07644731 (England and Wales)
Auditors:	Haines Watts Wales LLP, Statutory Auditors 7 Neptune Court Vanguard Way Cardiff CF24 5PJ

Group Strategic Report
for the Year Ended 31 August 2023

The directors present their strategic report of the company and the group for the year ended 31 August 2023.

Concrete Canvas Group Ltd is the holding company of the following 4 entities with the following functions:

- **Concrete Canvas Ltd:** Established in 2005, this is the main trading arm of the group and is responsible for the manufacture and sale of the company's patented material technologies, ancillaries and associated fabricated products, namely; Concrete Canvas (CC), CCX, CC Hydro (CCH) and CC Shelters (CCS).
- **Concrete Canvas US Inc:** Established in 2021, this is the US trading arm of the group with its registered office in Houston, Texas and responsible for importation, sales and marketing of the groups manufactured products within the United States of America.
- **Concrete Canvas Technologies Ltd:** Established in 2011, this entity owns the intellectual property assets within the group including all associated patents.
- **Concrete Canvas Properties Ltd:** Established in 2013, this entity owns the property assets within the group including the main manufacturing site located in Pontyclun, occupied in 2019.

The principal material technology (CC) was developed by the company in 2005, as a spin-out from Imperial College and the Royal College of Art. CC consists of a dry concrete powder filled fabric which hardens on hydration to form a thin, durable, water-proof concrete layer. This has recently been recognised by the international standards community as a new class of material known as GCCMs (Geosynthetic Cementitious Concrete Mats).

GCCMs can be used for a wide range of applications in erosion control and containment within the civil engineering world. The company currently sells primarily into 3 core market sectors Civil Infrastructure, Mining and Petrochem.

The company's headquarters are based in Pontyclun, South Wales from where we operate our production, sales, logistics and R&D functions. In addition, we have overseas offices with staff in the USA (LA, Houston, Virginia), Ireland (Dublin), Italy (Milan), Hungary (Budapest), UAE (Dubai) and Australia (Sydney).

The majority of our sales are into international markets through a network of more than 60 sales partners with exclusive distribution contracts by geographic region. These international partners are trained, managed and supported by our regional offices. In the UK and Ireland, the company sells directly through a team of technical sales representatives based across the UK and Ireland.

The Groups over-arching strategy is to achieve growth in 3 ways:

- Expand sales of our existing products and applications by growing market share in existing geographic territories and by signing new sales partners in new geographic territories.
- Expand sales of our existing products by developing new applications with lead customers in the UK and once proven roll these out through our international sales partner network.
- Product development of new technologies based on our core expertise to allow us to access new markets and applications and retain our technological lead.

Concrete Canvas products have several key advantages over conventional solutions such as speed of installation, reduced plant equipment, lower carbon footprint and lower overall project costs. In addition, the business now enjoys strong brand recognition in the geosynthetics market with a reputation for quality, innovation and customer engagement. As the original creator of GCCMs the company is by far the largest manufacturer globally. Through Concrete Canvas Technologies Ltd, the group holds a strong patent portfolio, including 11 patent families with 112 patents pending or granted worldwide through 49 Territories including pending patents for the EPC, EAPO and ARIPO regional treaty areas. In addition to the CCX patent family the company holds it has recently filed a new patent family for the newly developed CCX-B product.

Group Strategic Report
for the Year Ended 31 August 2023

Review of business
KPIs Year ended August 2023

	2023	2022
Turnover	£18.1Mn	£16.1Mn
Gross Margin	43.0%	44.2%
EBITDA	16.7%	18.1%
Cash at Bank	£4.0Mn	£3.8Mn

The groups' continued progress is highlighted by increased turnover and profitability in 2023. The year to August 2023 Concrete Canvas generated net sales of over £18Mn which was an increase of 12.7% compared to prior year. In this record year for turnover, growth was achieved in seven out of ten territories. Stand out regions were Latin America, Far East Asia and Europe.

The strong growth in turnover was mainly driven by a record year of growth in the mining sector. In the early part of 2023, the group benefitted from large scale mining projects in Panama, Democratic Republic of Congo, and Peru.

Following the successful launch of the new product line CCX in July 2022, the company had its first full year of CCX trading activity. CCX sales contributed 27% of total turnover in 2023. The new product line will continue to be primarily focussed on lining large profile infrastructure such as canals to prevent erosion and reduce seepage losses. CCX enables canal lining infrastructure projects to be completed much faster at a lower cost and increased durability than conventional solutions.

As with most manufacturing businesses in the UK, Concrete Canvas Group was impacted by increased utility costs, direct material, and labour costs. In 2023 the company has taken actions to mitigate the worst of these inflationary impacts on the business. Trading conditions will undoubtedly remain challenging throughout 2024 as the world continues to grapple with high energy costs and the related economic aftershocks due to high levels of inflation.

SECR (Streamlined Energy and Carbon Reporting)

Concrete Canvas Group is committed to driving the transition to more sustainable manufacturing with a focus on reducing lifecycle CO2e emissions, waste and pollution. The following key investments have been made over the last 2 years:

- Scope 1: Supporting the transition away from petrol and diesel cars with 70% of company vehicles converting to electric at the end of the financial year. We currently are in the process of introducing a company salary sacrifice scheme for electric vehicles to further improve on this.
- Scope 2: Installation of a 1.1 MWp solar array covering most of the available roof area of the factory. The solar panels were commissioned in June 2023 and will generate ~60% of predicted site consumption in 2024. As well as supporting the company's sustainability journey, this investment will also help to protect against energy cost volatility.
- Scope 3: Development of a new lower carbon formulation for our CC product line. This was launched in June 2022 as the CC 'T-series' and has now fully replaced the conventional CC product across all product variants. The new formulation reduces the embodied CO2e of the product by an average of 33%.

We have also invested in a carbon emission management platform in order to provide historic data for bench-marking and a means of ongoing measurement and analysis. This is being done in line with the requirements of UK Government PPN06/21 (Public Procurement Note 06/21). Results for the last 2 years are listed below.

	FY 2022/23		FY 2021/22	
Emissions Source	**Energy Consumption (kWh)**	**CO2e (tonnes)**	**Energy Consumption (kWh)**	**CO2e (tonnes)**
Scope 1: Natural gas	309,218	63	255,098	52
Scope 1: Other fuel use (LPG)	1,494	0.3	-	-
Scope 1: Company vehicle use	-	11	-	11
Scope 2: Electricity use	938,102	194	818,677	170
Total (Scope 1+2)		**268**		**233**
Area of material sold (sqm)		977,480		803,139
Intensity Ratio: kgCO2e/sqm		0.27		0.29

The information has been gathered using electricity and gas meter readings and by surveying those who use company vehicles. Conversions between kWh and CO2e made using government document "Greenhouse gas reporting: conversion factors 2023".

Scope 1 and 2 emissions have increased by 15% over the period, however this was against a 22% increase in material sales. As a result, we successfully reduced our intensity ratio by 5% over the period.

Although Scope 3 emissions are not listed, we achieved significant reductions in the use of raw materials associated with high carbon emissions through the formulation changes mentioned above.

Principal risks and uncertainties

The main risks to achieving the business strategy have been assessed by the Directors and can be summarised as follows;

Risk	Potential Impact	Mitigation
Economic outlook	As the economic situation continues to be uncertain the impact on raw material prices and global supply chains will continue to create challenges across all markets. In general, the continued uncertainty will make forecasting and planning more challenging.	The group has sufficient cash balances and as such we do not expect any liquidity problems. Further debt finance can be accessed by securing loans against the property which is 100% owned by the Group. While being mindful of the macro-economic uncertainty, the diverse customer base and ability to export to all parts of the globe provides the company with a resilient demand outlook. We will continue to monitor sales growth and market conditions to ensure the business is able to rapidly adapt to the changing situation.
Copycat product enters market	Competitor copies technology infringing business's Intellectual Property and take market share.	Use of the extensive patent portfolio and registered Trade Marks to sue infringers and seek damages for loss of income. The business has 112 patents pending or granted worldwide through 49 Territories. CCT will seek to enforce it's IPR at a time and in a jurisdiction where it will achieve it's aim of minimising the economic impact of infringing activity on the group's sales.
Loss of Key Supplier	The core material technology is reliant on bespoke input material components. Loss of one of these key suppliers could impact our production capacity and our ability to meet customer lead times.	The business recognises the key role suppliers play in Concrete Canvas' ability to deliver quality and timely product to our customers. Dual supplier arrangements are in place for all critical components and the business can source alternative supply from existing pre-qualified suppliers for all non-critical components at short notice.
Production Line Breakdown	The core production machinery is bespoke and only exists within the Pontyclun facility. A large-scale line breakdown could potentially impact on our ability to meet order lead times and loss of sales.	We have invested heavily in our internal production engineering team and keep stock of spare machine parts as well as operating a preventative maintenance schedule. We also operate a stock buffer to maintain supply during short term interruptions in production capacity.
Personnel	The business could be impacted by loss of key individuals.	The business operates an EMI option scheme targeted at retaining key personnel. We are proactively recruiting staff across most departments on a regular basis. This provides us with the capacity and resource to grow whilst also providing some additional capacity in the case of personnel loss. The business invests in staff teambuilding and engagement events and aims to create a friendly cooperative workplace and culture.

On behalf of the board:

Mr W C Crawford - Director

26 January 2024

Report of the Directors
for the Year Ended 31 August 2023

The directors present their report with the financial statements of the company and the group for the year ended 31 August 2023.

Dividends
Non-voting dividends were paid amounting to £199,999. The directors do not recommend payment of a further dividend.

Directors
The directors shown below have held office during the whole of the period from 1 September 2022 to the date of this report.

Mr P E Brewin
Mr W C Crawford
Mr R D Winter

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditors
The auditors, Haines Watts Wales LLP, Statutory Auditors, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

Mr W C Crawford - Director

26 January 2024

**Report of the Independent Auditors to the Members of
Concrete Canvas Group Limited**

Opinion
We have audited the financial statements of Concrete Canvas Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company affairs as at 31 August 2023 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Members of Concrete Canvas Group Limited

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

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

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

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

Our planning procedures identify the legal and regulatory frameworks applicable to the operations and financial statements of the company. These are reviewed internally with the audit team including relevant industry experience and expectations as well as externally with the client management. The key laws and regulations we considered in this context were the UK Companies Act 2006, UK GAAP (FRS 102) and relevant tax legislation.

Once identified, we assess the risks of material misstatements in relation to the laws and regulations, irregularities, including fraud and adjust our testing accordingly. Our audit procedures include:

- Discussing with Directors and management which areas of the business they believe to be more susceptible to fraud, and whether they have any knowledge or suspicion of fraudulent activities.
- Discussing with Directors and management the legal and regulatory obligations of the business and whether they have any knowledge or suspicion of non-compliance.
- Obtaining an understanding of the key controls put in place by the company to address risks identified, assessing the effectiveness of those and discussing how these are maintained and monitored internally.
- Assessing the risk of management override and review and testing of journal entries made into the accounting system.
- Challenging assumptions and judgements made by the company in relation to the significant accounting estimates employed in the preparation of the financial statements.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularities likely involve collusion, forgery, intentional misrepresentation, or the override of internal controls.

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

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

Victoria Carter (Senior Statutory Auditor)
for and on behalf of Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

2 February 2024

Consolidated Statement of Comprehensive Income for the Year Ended 31 August 2023

	Notes	2023 £	2022 £
Turnover	4	18,125,294	16,083,066
Cost of sales		(10,323,223)	(8,968,602)
Gross profit		7,802,071	7,114,464
Distribution costs		(2,047,241)	(1,592,653)
Administrative expenses		(4,208,843)	(3,734,219)
		1,545,987	1,787,592
Other operating income	5	1,103,332	96,665
Operating profit		2,649,319	1,884,257
Interest receivable and similar income		29,549	-
		2,678,868	1,884,257
Interest payable and similar expenses	7	(9,147)	(21,534)
Profit before taxation	8	2,669,721	1,862,723
Tax on profit	9	(181,801)	19,883
Profit for the financial year		2,487,920	1,882,606
Other comprehensive income		-	-
Total comprehensive income for the year		2,487,920	1,882,606
Profit attributable to:			
Owners of the parent		2,487,920	1,882,606
Total comprehensive income attributable to:			
Owners of the parent		2,487,920	1,882,606

The notes form part of these financial statements

Consolidated Statement of Financial Position
31 August 2023

	Notes	2023 £	2022 £
Fixed assets			
Intangible assets	12	2,595,550	2,456,827
Tangible assets	13	6,983,902	6,397,229
Investments	14	-	-
		9,579,452	8,854,056
Current assets			
Stocks	15	1,926,523	2,062,801
Debtors	16	2,696,580	2,892,285
Cash at bank		3,990,076	3,816,394
		8,613,179	8,771,480
Creditors			
Amounts falling due within one year	17	(2,174,576)	(4,062,498)
Net current assets		6,438,603	4,708,982
Total assets less current liabilities		16,018,055	13,563,038
Creditors			
Amounts falling due after more than one year	18	(75,577)	(90,282)
Provisions for liabilities	21	(609,287)	(427,486)
Net assets		15,333,191	13,045,270
Capital and reserves			
Called up share capital	22	977	977
Share premium	23	716,819	716,819
Capital redemption reserve	23	5,998	5,998
Retained earnings	23	14,609,397	12,321,476
Shareholders' funds		15,333,191	13,045,270

The financial statements were approved by the Board of Directors and authorised for issue on 26 January 2024 and were signed on its behalf by:

Mr W C Crawford - Director

Company Statement of Financial Position
31 August 2023

	Notes	2023 £	2022 £
Fixed assets			
Intangible assets	12	-	-
Tangible assets	13	-	-
Investments	14	2,881	2,881
		2,881	2,881
Current assets			
Debtors	16	14,568,503	11,683,854
Creditors			
Amounts falling due within one year	17	(1,398,363)	(1,107,243)
Net current assets		13,170,140	10,576,611
Total assets less current liabilities		13,173,021	10,579,492
Capital and reserves			
Called up share capital	22	977	977
Share premium	23	117,180	117,180
Capital redemption reserve	23	5,998	5,998
Retained earnings	23	13,048,866	10,455,337
Shareholders' funds		13,173,021	10,579,492
Company's profit for the financial year		2,793,528	1,424,282

The financial statements were approved by the Board of Directors and authorised for issue on 26 January 2024 and were signed on its behalf by:

Mr W C Crawford - Director

Consolidated Statement of Changes in Equity
for the Year Ended 31 August 2023

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 September 2021	966	11,318,485	639,752	5,998	11,965,201
Changes in equity					
Issue of share capital	11	-	77,067	-	77,078
Dividends	-	(879,615)	-	-	(879,615)
Total comprehensive income	-	1,882,606	-	-	1,882,606
Balance at 31 August 2022	977	12,321,476	716,819	5,998	13,045,270
Changes in equity					
Dividends	-	(199,999)	-	-	(199,999)
Total comprehensive income	-	2,487,920	-	-	2,487,920
Balance at 31 August 2023	977	14,609,397	716,819	5,998	15,333,191

Company Statement of Changes in Equity for the Year Ended 31 August 2023

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 September 2021	966	9,910,670	40,113	5,998	9,957,747
Changes in equity					
Issue of share capital	11	-	77,067	-	77,078
Dividends	-	(879,615)	-	-	(879,615)
Total comprehensive income	-	1,424,282	-	-	1,424,282
Balance at 31 August 2022	977	10,455,337	117,180	5,998	10,579,492
Changes in equity					
Dividends	-	(199,999)	-	-	(199,999)
Total comprehensive income	-	2,793,528	-	-	2,793,528
Balance at 31 August 2023	977	13,048,866	117,180	5,998	13,173,021

The notes form part of these financial statements

Consolidated Statement of Cash Flows
for the Year Ended 31 August 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	2,939,361	3,508,156
Interest paid		(9,147)	(21,534)
Finance income		-	(4)
Tax paid		(21,930)	(1,312)
Net cash from operating activities		2,908,284	3,485,306
Cash flows from investing activities			
Purchase of intangible fixed assets		(663,029)	(793,124)
Purchase of tangible fixed assets		(1,149,970)	(427,487)
Sale of tangible fixed assets		-	(7,050)
Sale of investment property		-	998,110
Interest received		29,549	-
Net cash from investing activities		(1,783,450)	(229,551)
Cash flows from financing activities			
Loan repayments in year		(750,000)	(200,000)
Amount introduced by directors		-	27,172
Amount withdrawn by directors		(1,153)	-
Share issue		-	**11**
Equity dividends paid		(199,999)	(879,615)
Share premium issue		-	77,066
Net cash from financing activities		(951,152)	(975,366)
Increase in cash and cash equivalents		173,682	2,280,389
Cash and cash equivalents at beginning of year	2	3,816,394	1,536,005
Cash and cash equivalents at end of year	2	3,990,076	3,816,394

The notes form part of these financial statements

Notes to the Consolidated Statement of Cash Flows
for the Year Ended 31 August 2023

1. Reconciliation of profit before taxation to cash generated from operations

	2023	2022
	£	£
Profit before taxation	2,669,721	1,862,723
Depreciation charges	1,087,605	1,038,428
Loss on disposal of fixed assets	-	10,815
Government grants	-	3
Finance costs	9,147	21,534
Finance income	(29,549)	-
	3,736,924	2,933,503
Decrease/(increase) in stocks	136,278	(426,118)
Decrease/(increase) in trade and other debtors	195,705	(303,079)
(Decrease)/increase in trade and other creditors	(1,129,546)	1,303,850
Cash generated from operations	2,939,361	3,508,156

2. Cash and cash equivalents

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

Year ended 31 August 2023

	31.8.23	1.9.22
	£	£
Cash and cash equivalents	3,990,076	3,816,394

Year ended 31 August 2022

	31.8.22	1.9.21
	£	£
Cash and cash equivalents	3,816,394	1,536,005

3. Analysis of changes in net funds

	At 1.9.22	Cash flow	At 31.8.23
	£	£	£
Net cash			
Cash at bank	3,816,394	173,682	3,990,076
	3,816,394	173,682	3,990,076
Debt			
Debts falling due within 1 year	(750,000)	750,000	-
	(750,000)	750,000	-
Total	3,066,394	923,682	3,990,076

1. **Statutory information**

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

2. **Accounting policies**

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation
In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated group financial statements consist of the financial statements of the parent company Concrete Canvas Group Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 August 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

Going concern
The financial statements have been prepared on a going concern basis which assumes the group will continue in operational existence for the foreseeable future. In making their assessment the directors have reviewed the balance sheet, the likely future cash flows of the business and have considered facilities that are in place at the date of signing the report. At the year ended 31 August 2023 the group had bank and cash equivalents of £3.9m and net assets of £15.5m.

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

 continued...

2. **Accounting policies - continued**

Turnover
Turnover 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Patents and licences are being amortised evenly over their estimated useful life of ten years.

Development costs are being amortised evenly over their estimated useful life of ten years.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- 10% on cost and 2-10% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 10% on cost
Computer equipment	- 20% on cost

Investment property
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

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 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.

Financial instruments
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 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.

continued...

2. **Accounting policies - continued**

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Research and development

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement 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.

continued...

2. **Accounting policies - continued**

Impairment of 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 around 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,

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, associates 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.

3. **Critical accounting judgements and key sources of estimation uncertainty**

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

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

4. **Turnover**

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	2023	2022
	£	£
Sales	18,125,294	16,083,066
	18,125,294	16,083,066

continued...

4. **Turnover - continued**

An analysis of turnover by geographical market is given below:

	2023	2022
	£	£
United Kingdom	2,026,177	3,061,787
Europe	2,834,879	875,617
Rest of the World	11,817,800	9,097,233
North America	1,446,438	3,048,429
	18,125,294	16,083,066

5. **Other operating income**

Other significant revenue	2023	2022
	£	£
Deposit Account Interest	29,549	
Grants received	155,171	82,662
Other operating income	948,161	14,003
	1,132,881	96,665

6. **Employees and directors**

	2023	2022
	£	£
Wages and salaries	3,511,650	2,975,194

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

	2023	2022
Employees	58	59
Directors	3	3
	61	62

	2023	2022
	£	£
Directors' remuneration	33,296	28,705

7. **Interest payable and similar expenses**

	2023	2022
	£	£
Loan interest paid	9,147	21,534

8. **Profit before taxation**

The profit is stated after charging/(crediting):

	2023	2022
	£	£
Hire of plant and machinery	221,963	127,255
Other operating leases	5,439	1,374
Depreciation - owned assets	563,297	567,350
Loss on disposal of fixed assets	-	10,815
Patents and licences amortisation	146,938	125,212
Development costs amortisation	377,368	346,819
Auditors' remuneration	18,659	16,801
Other non- audit services	25,518	23,192
Foreign exchange differences	56,239	(123,440)

continued...

9. Taxation

Analysis of the tax charge/(credit)
The tax charge/(credit) on the profit for the year was as follows:

	2023	2022
	£	£
Current tax:		
UK corporation tax	-	651
Subsidiary corporation tax	-	1,183
Total current tax	-	1,834
Deferred tax	181,801	(21,717)
Tax on profit	181,801	(19,883)

Reconciliation of total tax charge/(credit) included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2023	2022
	£	£
Profit before tax	2,669,721	1,862,723
Profit multiplied by the standard rate of corporation tax in the UK of 22 % (2022 - 19 %)	587,339	353,917
Effects of:		
Expenses not deductible for tax purposes	38,352	35,767
Income not taxable for tax purposes	380	425
Capital allowances in excess of depreciation	(240,073)	-
Depreciation in excess of capital allowances	-	24,521
Utilisation of tax losses	194,755	-
Research and development	(238,596)	(300,690)
Other tax deductions	(8,526)	(48,263)
Patent box deductions	(333,631)	(136,595)
Rate changes	-	51,035
Deferred tax	181,801	-
Total tax charge/(credit)	181,801	(19,883)

10. Individual statement of comprehensive income

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

11. Dividends

	2023	2022
	£	£
Ordinary shares £0.1p shares of 975.05 each		
Interim	199,999	879,615

continued...

12. Intangible fixed assets

Group

	Patents and licences £	Development costs £	Totals £
Cost			
At 1 September 2022	1,356,111	3,754,453	5,110,564
Additions	181,609	481,420	663,029
At 31 August 2023	1,537,720	4,235,873	5,773,593
Amortisation			
At 1 September 2022	728,968	1,924,769	2,653,737
Amortisation for year	146,938	377,368	524,306
At 31 August 2023	875,906	2,302,137	3,178,043
Net book value			
At 31 August 2023	661,814	1,933,736	2,595,550
At 31 August 2022	627,143	1,829,684	2,456,827

13. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £
Cost			
At 1 September 2022	5,609,465	2,506,229	101,965
Additions	833,186	294,758	3,211
Disposals	-	-	-
At 31 August 2023	6,442,651	2,800,987	105,176
Depreciation			
At 1 September 2022	777,009	1,229,710	52,269
Charge for year	293,761	204,758	6,845
Eliminated on disposal	-	-	-
At 31 August 2023	1,070,770	1,434,468	59,114
Net book value			
At 31 August 2023	5,371,881	1,366,519	46,062
At 31 August 2022	4,832,456	1,276,519	49,696

continued...

13. Tangible fixed assets - continued

Group

	Motor vehicles £	Computer equipment £	Totals £
Cost			
At 1 September 2022	140,216	343,431	8,701,306
Additions	-	18,815	1,149,970
Disposals	-	(15,354)	(15,354)
At 31 August 2023	140,216	346,892	9,835,922
Depreciation			
At 1 September 2022	17,390	227,699	2,304,077
Charge for year	14,022	43,911	563,297
Eliminated on disposal	-	(15,354)	(15,354)
At 31 August 2023	31,412	256,256	2,852,020
Net book value			
At 31 August 2023	108,804	90,636	6,983,902
At 31 August 2022	122,826	115,732	6,397,229

14. Fixed asset investments

Company

	Shares in group undertaking £
Cost	
At 1 September 2022 and 31 August 2023	2,881
Net book value	
At 31 August 2023	2,881
At 31 August 2022	2,881

The companys investments at the balance sheet date in the share capital of its subsidiaries are as follows;

Subsidiary	Class of share	Percentage held %
Concrete Canvas Limited	Ordinary	100
Concrete Canvas Properties Limited	Ordinary	100
Concrete Canvas Technologies	Ordinary	100
Concrete Canvas US Inc	Ordinary	100

15. Stocks

	Group 2023 £	Group 2022 £
Raw materials	735,775	698,612
Stock of Finished Goods	1,011,914	1,137,120
Work-in-progress	178,834	227,069
	1,926,523	2,062,801

continued...

16. Debtors

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	2,320,517	2,390,813	-	-
Amounts owed by group undertakings	-	-	14,046,773	11,187,067
Other debtors	11,287	14,349	-	-
VAT	256,917	388,747	-	-
Deferred tax asset	-	-	46,074	46,074
Prepayments	107,859	98,376	-	-
	2,696,580	2,892,285	14,092,847	11,233,141
Amounts falling due after more than one year:				
Loan due from group	-	-	475,656	450,713
Aggregate amounts	2,696,580	2,892,285	14,568,503	11,683,854

17. Creditors: amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts (see note 19)	-	750,000	-	-
Trade creditors	862,027	1,234,108	-	-
Amounts owed to group undertakings	-	-	1,369,404	1,077,871
Sales Tax Payable - US Only	-	21,930	-	-
Social security and other taxes	53,678	56,654	-	-
Other creditors	199,514	141,373	-	-
Directors' current accounts	26,014	27,172	26,014	27,172
Accrued expenses	1,019,531	1,818,342	2,945	2,200
Deferred government grants	13,812	12,919	-	-
	2,174,576	4,062,498	1,398,363	1,107,243

18. Creditors: amounts falling due after more than one year

	Group	
	2023	2022
	£	£
Deferred government grants	75,577	90,282

19. Loans

An analysis of the maturity of loans is given below:

	Group	
	2023	2022
	£	£
Amounts falling due within one year or on demand:		
Bank loans	-	750,000

continued...

20. Secured debts

The following secured debts are included within creditors:

	Group 2023 £	Group 2022 £
Bank loans	-	750,000

An unlimited debenture dated 04/09/2009 incorporating a fixed and floating charge.

21. Provisions for liabilities

	Group 2023 £	Group 2022 £
Deferred tax		
Accelerated capital allowances	609,287	427,486

Group

	Deferred tax £
Balance at 1 September 2022	427,486
Provided during year	181,801
Balance at 31 August 2023	609,287

Company

	Deferred tax £
Balance at 1 September 2022	(46,074)
Balance at 31 August 2023	(46,074)

22. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
975,054	Ordinary shares £0.1p	975.05	975	975
2	Non-voting shares of £1 each	1	2	2
			977	977

23. Reserves

Group

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 September 2022	12,321,476	716,819	5,998	13,044,293
Profit for the year	2,487,920	-	-	2,487,920
Dividends	(199,999)	-	-	(199,999)
At 31 August 2023	14,609,397	716,819	5,998	15,332,214

continued...

23. Reserves - continued

Company

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 September 2022	10,455,337	117,180	5,998	10,578,515
Profit for the year	2,793,528			2,793,528
Dividends	(199,999)			(199,999)
At 31 August 2023	13,048,866	117,180	5,998	13,172,044