

## **Omar Group Holdings Limited**

**Annual Report and Financial Statements**

**Year Ended**

**30 April 2022**

**Company Number 10694240**



# Omar Group Holdings Limited

## Company Information

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<b>Directors</b>	D A Westmoreland R C Greenacre D R Wardrop T J Scicluna D G Chilton G R Craig
<b>Registered number</b>	10694240
<b>Registered office</b>	Pleszko House 227 London Road Brandon Suffolk IP27 0NE
<b>Independent auditor</b>	BDO LLP 16 The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ

# **Omar Group Holdings Limited**

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# Omar Group Holdings Limited

## Group Strategic Report For the Year Ended 30 April 2022

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### Introduction

The directors present their strategic report and the financial statements for the year ended 30 April 2022.

### Business review

These financial statements consolidate the results of Omar Group Holdings Limited and all of its subsidiaries. The main trading subsidiary of the Group remains Omar Park Homes Limited, a company that designs, manufactures, sells and refurbishes park homes, luxury lodges and caravans for the UK market. As this is the main trading entity of the Group, the business review principally considers the results of that subsidiary for the 12 month year to 30th April 2022 but, where relevant, it also factors in the activities of the other trading business units, Omar Park Homes Ltd trading as Regal Leisure Homes and UK Sundecks Ltd. Our review is consistent with the size and nature of our business and is written in the context of the risk of the uncertainties we face.

Following the significant market interruption in 2020 due to the Covid Pandemic, with the government mandated closure of holiday parks and the 6-week cessation of house moves, coupled with the disruption to the global supply chain; 2021 and 2022 have seen a strong recovery in customer demand accelerating growth in our business.

Investing in our core business to secure this growth, we established a third production line in Hull, and made several operational investments in our Brandon facility. We also established a new factory near Ringwood, Dorset for our new Regal Leisure Homes business, which operates under the banner of "Omar Park Homes trading as Regal Leisure Homes" using the "Regal" brand acquired as part of the Intellectual Property purchased from the Administrator of Regal Holiday Homes in 2021. In parallel with establishing the factory, which commenced production in August 2021, the start-up team developed a strong orderbook from a zero-base and the Regal operation generated a material positive contribution to the Company's performance in the 9 months to 30th April 2022. We additionally relocated UK Sundecks Ltd to a new bigger site in Lye, West Midlands, all of which has provided us the growth in capacity to meet demand for the next 3 to 5 years.

This has had a strong impact on our results, with turnover up 76% for the period to £73.2M (2021 - £41.7M), and EBITDA of £8.2M (2021 - £4.6M), representing a return on sales (being EBITDA as a percentage of turnover) of 11.2% (2021 - 11.0%).

Our cash balance at the year-end was £11.1M (2021 - £5.5M), with net operating cash generation of £11.4M (2021 - £10.4M), more than covering scheduled debt repayments and regular interest, corporation tax and capital expenditure payments. The business retained an active dialogue with HSBC UK Bank plc ("HSBC") and investors throughout the year regarding our finance agreement and we can confirm that at the year end the business was in full compliance with all the financial covenants contained within that agreement.

### Key performance indicators

The Directors use a non statutory measure of earnings before interest, tax, depreciation, amortisation and impairment (EBITDA) as a key performance indicator (which is calculated by taking the Loss for the year attributable to the owners of the Parent Company, and adding back interest payable and expenses, taxation, depreciation charge, amortisation charge and impairment charge, and deducting reversal of past impairment to arrive at EBITDA). A reconciliation of the loss for the year to EBITDA is shown on page 16. Other KPI's used are turnover, gross profit margins, control over operating costs and working capital management and cash generation as measures to assess the performance of the Group, and those indicators where relevant, have been referred to above within the business review.

# Omar Group Holdings Limited

## Group Strategic Report (continued) For the Year Ended 30 April 2022

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### Future developments and strategy

Covid 19 remains a disruptive influence in the market. While less impactful than the previous year, it continues to adversely affect operational efficiencies, through labour availability and material continuity due to the ongoing disruption in the global supply chain. Similarly, ongoing conflict in Ukraine has caused some disruption in the global supply chain, although its direct impact on Group operations has been very limited and successfully mitigated.

We have also seen significant inflationary pressure on input prices, with some of this passed through to our customers and offset via operational improvements which we will continue to implement.

Recruitment and retention remain key focuses, as we continue to deliver our growth plan to meet the continuing demand for our products. We have expanded our apprenticeship program in Brandon and are rolling this out to our Hull and Ringwood operations. Moving forward we are trialling flexible working in a number of roles and improving our terms and conditions to maintain and attract talent.

Driven by the increase in last time buyers downsizing, the continuing staycation demand and premiumisation of the market, we are continuing to invest to increase capacity within our sites, which will see us able to access 40% incremental facility capacity from the investment already made in our business.

Our sites afford us a geographic footprint to provide a hub strategy, not only to support £170M of product sales at current prices, but improve our customer service and engagement, reaching over 85% of our customers within a 3 hour radius, supporting sales, aftersales, refurbishment and decking.

New product development continues to ensure our portfolio remains market leading in the short to medium term, with the re-launch of the Cranbourne and Dorset park homes, and the Heron lodge. The launch of Regal products has had a strong initial trading period, and we will build on this by refreshing two of the five models and introducing two new models to the range. This is underpinned by the implementation of a CPQ (configure price and quote) system which went live in April 2022, allowing us to provide a configurable tool to improve our sales and customer process. We also have a number of other new products and refreshes planned for 2022, to ensure our product range remains market relevant. In combination, these initiatives and investments will enable the Group to deliver significant growth in the coming years, cementing our position as the leading solutions provider and manufacturer to the Parks Industry.

Momentum remains strong and we are forecasting Group sales and EBITDA to be materially higher in the coming year to April 2023.

### Principal risks and uncertainties

The Directors monitor the key risks that the business faces and take action to mitigate those risks. An overview of these key risks, together with the associated actions are set out below:

#### 1) Risk – Economic climate

Description – We remain ever cognisant of new Covid variants and remain conscious of the potential impact. We are prepared to react proactively to future government guidance.

Achievement/Action - We have maintained awareness on social distancing, hygiene requirements and maintained face masks as optional. To date, these measures have minimised the disruption to operations across the 4 sites we operate from, and we do not envisage significant change in the future.

#### 2) Risk – Supply chain

Description – Covid and global economic and political disruptions continue to impact the inbound supply chain with some short term unavailability, extended lead times and price inflation.

# **Omar Group Holdings Limited**

## **Group Strategic Report (continued) For the Year Ended 30 April 2022**

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### **Principal risks and uncertainties (continued)**

**Achievement/Action** - We have added to our already experienced and capable planning and procurement team. We continue to work with suppliers to secure the best availability and pricing for the business through alternate supply, substitute materials, forward buying and in some cases increased stock holding. This has helped material availability; however, some cost inflation has been inevitable. We conduct quarterly reviews of our input, mitigation and pricing strategies, to ensure we protect our margins, which has meant us passing on price rises to our customers. In view of the broader group structure our standard terms and conditions have been fully updated to give us a consistent format across the group, and to ensure they fully comply to latest legislation.

#### **3) Risk – Political and Economic impact of the Ukraine Crisis**

**Description** – From mid-February 2022 the Ukraine conflict has escalated rapidly, and now looks set to be a long-term backdrop to European and Global political and economic considerations.

**Achievement/Action** – We do not trade with customers outside of the UK, therefore limiting our direct impact to supply chain (suppliers and materials) and indirectly (energy pricing and global political and economic impact). We have worked with our suppliers to mitigate the supply chain and continue to do so as required and continue to de-risk material supply by dual sourcing where possible.

We are considering options to mitigate energy inflation, through alternative sources as part of our ESG considerations, to coincide with the end of our current contracts.

#### **4) Risk – Key customer relationships**

**Description** – The Group has several significant customer relationships which, if damaged, would result in reduced sales.

**Achievement/Action** – We have significantly reduced our customer concentration, with all customer accounts also having a nominated senior management contact who ensures that we have multiple points of customer contact throughout our organisation.

#### **5) Risk – Brexit**

**Description** – Whilst Brexit seems historical, the impacts on movement of goods, services and people remain current. With proposed changes to the agreement still to be confirmed, this remains a tangible risk.

**Achievement/Action** – We have and remain actively engaged with our suppliers and have, so far, been able to mitigate the potential supply chain risks. Filling the current gap in the labour pool, we have introduced schemes to fill vacancies, and opened new recruitment channels via apprenticeships and flexible working roles.

#### **6) Risk – Availability and retention of staff**

**Description** – As we continue to grow and expand our operations, we need to ensure we can staff with the right levels in terms of number and capability.

**Achievement/Action** – We are working to extend our apprentice program to develop talent from within in the medium term and are working closely with local employment agents as well as advertising for staff on websites and social media. Additionally, we are driving a campaign to bring more women into the organisation with a series of adverts designed to attract more females into management, supervisory and production roles. We are trialling a number of part time roles to open up a wider pool of candidates. More generally, we have implemented a new output bonus, and continually augment our employment package.

#### **7) Risk – Regal Leisure Homes relaunch**

**Description** – Committing to new relaunch of the business from premises lease, CAPEX and recruitment, as well as the group resource strain to deliver to plan, presented a significant risk to the business.

# Omar Group Holdings Limited

## Group Strategic Report (continued) For the Year Ended 30 April 2022

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### Principal risks and uncertainties (continued)

**Achievement/Action** – We have assembled a strong management team, who have delivered a solid first 9 months trading exceeding budget. Our expectations to April 2023 have been subsequently accelerated, supporting our ability to meet the demand in a strong market. This has provided us with very complementary products to our group portfolio, with improved geographical coverage from our factory hub covering the south and southwest.

### Directors' statement of compliance with duty to promote the success of the Group

Section 172 of the Companies Act 2006 requires the directors to take into consideration the interests of stakeholders and other matters in their decision making. The directors have a regard for all stakeholders including employees, customers, suppliers, investors, lenders, shareholders and the wider community in considering the impact on the surrounding environment and communities in which the business operates when making decisions.

The Board engages with the stakeholders of the business through communication and collaboration. Monthly board meetings include the active participation of all business leads within the Group; there are also weekly management meetings within each of the three business units to facilitate ongoing, two-way dialogue between the Board and operational management.

Operational management is in regular contact with employees through Employee Consultative Groups, notice board announcements and private company Facebook and WhatsApp groups. Company briefings (with Q&A) from the CEO held at least twice a year as well as departmental briefings and factory toolbox talks. Regular and ongoing contact with customers and suppliers is maintained at an operational level and includes the collation and dissemination of relevant information and decisions.

During the year the Group has continued to support various charities within our local communities and in collaboration with employees, customers and suppliers. The Group has previously embraced the Energy Savings Opportunity Scheme and engaged a 3rd party (Carbon Intelligence) to conduct a review and assessment of the Group's energy performance which is still being used to drive savings.

Further information regarding how the group engages with suppliers, customers and others, along with details around employee involvement and disabled employees, is provided within the directors' report.

Below is a review of the significant events and decisions along with the impact and actions taken by the directors in response:

#### 1) Significant Events / Decisions – Ongoing COVID 19 response

Key s172 matter(s) affected Employees, Customers, Suppliers, Shareholders

**Action and Impact** – Ongoing operational effectiveness against a Covid constrained market. Weekly meeting of the Covid working party, including senior management and Health & Safety managers for each of the sites. This covered compliance to government guidance, and the deployment and management of our Covid secure working practices.

#### 2) Significant Events / Decisions - Commencement of trading at Regal

Key s172 matter(s) affected Employees, Customers, Suppliers, Shareholders, Lender

**Action and Impact** – A robust business plan with key milestones was deployed by the very capable management team recruited. This was augmented by our deployment of a Project Director from the Omar leadership team to utilise our group capabilities and contacts. The team has been further strengthened by strong ongoing recruitment.

# Omar Group Holdings Limited

## Group Strategic Report (continued) For the Year Ended 30 April 2022

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### Directors' statement of compliance with duty to promote the success of the Group (continued)

Weekly management reviews with the Group CEO and the management's deployment of clear KPIs and training has delivered a strong start after 9 months of trading, ahead of our budgeted expectation, with the performance forecast to be materially higher to April 2023.

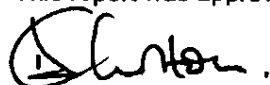
This has provided a group hub facility for the south and southwest.

### 3) Significant Events / Decisions – Relocation of UK Sundecks Ltd

Key s172 matter(s) affected – Employees, Customers, Suppliers, Shareholders, Lender

Action and Impact – Relocation of UK Sundecks Ltd to new bigger premises due to capacity constraints was well planned and managed, resulting in no adverse impact to our operations, customers or suppliers. This provides a group facility in the west midlands as part of our hub strategy, and a facility which triples our capacity to meet our future growth expectations for the next 5 years.

This report was approved by the Board on 23rd September 2022 and signed on its behalf.



**D G Chilton**  
Director



# Omar Group Holdings Limited

## Directors' Report For the Year Ended 30 April 2022

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The Directors present their report and the financial statements for the year ended 30 April 2022.

### Principal activity

The Company's principal activity during the year was that of a holding company.

The Group's principal activities during the year was the design, manufacture, sale and refurbishment of park homes, luxury lodges and caravans for the UK market, along with the supply and installation of upvc decking and fencing.

### Results and dividends

The loss for the year, after taxation, amounted to £2,813,678 (2021 - loss of £1,716,435).

### Directors

The Directors who served during the year were:

D A Westmoreland  
R C Greenacre  
D R Wardrop  
T J Scicluna  
D G Chilton  
G R Craig

### Financial instruments & financial risk management

The Group's operations expose it to a variety of other financial risks including credit risk, liquidity risk, market and interest risk and investment risk which the Group seeks to limit the adverse effect of. The directors set risk management policies which are implemented by the Group's management team.

The Group's policy is to finance working capital through retained earnings, and through borrowings where necessary, and to finance the acquisition of subsidiaries through borrowings at either fixed interest rates or prevailing market interest rates.

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through internal credit control procedures. The Group's policies are aimed at minimising credit losses. In relation to trade debtors, in tune with the industry and their customers, the Group extends cash flow to customers as they develop their sites. Accordingly, the Group's cash flow and debtor book therefore reflect that fact. Details of the Group's debtors are shown in Note 14 to the financial statements. The Directors perform a weekly review of the trade receivables' ageing analysis to help manage credit risk from customers. The directors assess the recoverability of the debtor book at year end, considering factors such as payment history and credit worthiness, and where amounts are not considered recoverable, amounts are provided for. The directors ensure that management have close working relationships with their customer base, with a view to carefully assessing the creditworthiness and recoverability of trade debtors.

# Omar Group Holdings Limited

## Directors' Report (continued) For the Year Ended 30 April 2022

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### Credit risk (continued)

To assist with cash flow and, in some cases, the deferred payment terms offered to customers, the Group also used to support a customer stock financing facility with limited recourse from third party providers, to provide credit to some customers. Prior to the year end of 30th April 2022, and for differing reasons, the Group ceased utilising these facilities in respect of ongoing sales activities. In respect of sales made while these facilities were being utilised, the proceeds the Group received from the third-party providers were debt subject to recourse and were secured over the home sold and, under certain circumstances, the finance provider could have requested that the Group repurchases the homes sold under finance. However, following the ceasing of this recourse finance facility, the amount of trade debtors under this recourse facility at the year-end was £Nil (2021 - £4.7M), refer to Note 14 to the financial statements.

The Company has amounts owed to it by Group companies. The Company is exposed to the usual credit risk and cash flow risk associated with having intercompany debts. The Company manages this through monitoring and assessing the results and forecasts of the Group entities from which the Company is owed money.

Credit risk also arises from cash and cash equivalents and deposits with banks and other financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted for holding cash balances. All of the cash balances are held with HSBC UK Bank plc. For the providers of debt recourse facilities to the Group, the Directors perform an assessment of the suitability of the financial institutions used.

### Liquidity & cash flow risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Board reviews rolling 12 month cash flow projections on a monthly basis as well as information regarding cash balances. Additionally, management reviews a rolling 13 week cash flow forecast on a weekly basis as a further control on working capital and cash. These reviews are done at a Group and Company level and monitored by the directors. At the end of the financial period, these projections indicated that the Company and Group expected to have sufficient liquid resources to meet its obligations, subject to the matters explained within the going concern note below and note 1.3.

### Market (price) risk and interest rate risk

The Group, alongside its competitors, is exposed to fluctuation in certain purchased materials and manages this risk, so far as is possible, by having long term relationships with key suppliers that aim to bring a high degree of stability and certainty to material costs.

Market risk arises from the Group's use of interest bearing financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), or other market factors (other price risk).

The Group is exposed to cash flow interest rate risk from bank borrowings which incorporate a fixed and variable rate. The rate of interest is a fixed upper percentage which can reduce if net leverage reduces, plus a variable rate (SONIA).

For other loans held by the Group which fall due greater than one year, the rate of interest is fixed as explained in note 18.

# Omar Group Holdings Limited

## Directors' Report (continued) For the Year Ended 30 April 2022

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### Investment risk

As the Company is a holding company its activities are limited to its investment in subsidiaries. As such it is exposed to risk of the value of the investment it holds. It manages the value of its investments through monitoring and assessing the impact of any changes in the business model.

The Directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

### Going concern

*The financial statements have been prepared on a going concern basis. As discussed in this report, in the Strategic Report and in note 1.3 to the financial statements, although the immediate threat posed by the COVID 19 pandemic appears to be easing it continues to present some operational challenges and, in addition, disruption to labour markets and global supply chains along with high levels of inflation combine to generate turbulence for Group operations. Similarly, ongoing conflict in Ukraine has caused some disruption in the global supply chain, although its direct impact on Group operations has been very limited and successfully mitigated.*

However, demand for the Group's products and services is very strong and continues to build; as a result, the Group has invested in re establishing (post-COVID) and further increasing operational capacity to meet this demand.

The Group is in full compliance with its financial covenants, has a sizeable cash balance and the demonstrable support of both HSBC and the majority Loan Note holders. On 31st August 2022, the Loan Note redemption date for all outstanding Loan Notes was formally extended to 30th September 2024 (refer to the subsequent events note below).

With this in mind and having conducted a detailed review of the Group's and Company's resources and the challenges presented by the current economic environment, the directors are satisfied that the Group and Company have the means and facilities to meet its liabilities as they fall due for at least one year from the date of approval of these financial statements. Therefore, the directors opine that it is appropriate that these financial statements have been prepared on a going concern basis. Refer to note 1.3 for further information.

### Subsequent events

In respect of the Loan Notes in issue as at the balance sheet date, on 31st August 2022 a majority of the Loan Note holders extended, by way of Loan Note amendment and restatement deeds, the redemption dates of these instruments to 30th September 2024. That change had effect for all Loan Notes in issue at both the balance-sheet date, and at the date of that extension. Other than the change of redemption date, the underlying Loan Note terms were unchanged (see note 18), and interest is compounded every 12 months and added to the balance of the loan, to be repaid with the capital balance at redemption date. As a result, no cash outflows relating to the Loan Notes will be required during the 12-month period following the signing of these accounts (refer to note 31).

### Engagement with supplier, customers and others

The Company is committed to establishing and maintaining sound business relationships with all stakeholders, including suppliers, customers and others. This involves regular, ongoing contact between operational management and all groups. The strength and effectiveness of these relationships was evident before, during and after the lockdown period and has been crucial to our ability to continue to effectively operate through the hiatus and subsequent ramp up in production and growth of our order book.

# Omar Group Holdings Limited

## Directors' Report (continued) For the Year Ended 30 April 2022

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### Energy and Carbon Report

The Group is committed to reducing the amount of energy it uses and ultimately reducing its carbon footprint. The Energy Savings Opportunity Scheme (ESOS) has provided a useful base point from which the Group has already identified and implemented some reduction opportunities, and this awareness will be imbedded as another strand of our continuous improvement ethos.

For the year to 30th April 2022 the Group recorded the following energy and carbon information:

Total UK energy use	- 8,024,740 kWh
Total UK carbon emissions from energy use	- 1,646 TCO <sub>2</sub> e
Intensity ratios:	- 0.024 TCO <sub>2</sub> e per £1,000 of Turnover and
	- 2.5 TCO <sub>2</sub> e per employee

The business will continue to promote awareness of the need to conserve energy and reduce consumption throughout the organisation. All 4 of our sites are leased which limits the opportunities to cost effectively make significant improvements to the inherent fabric of them. However, there is a rolling program to replace all fluorescent and incandescent lighting with energy efficient LED alternatives across all sites. Similarly, energy efficiency is a core criterion in the selection of all new and replacement equipment and vehicles. Heating, which consumes natural gas at our Brandon and Hull sites, is the Group's primary consumer of energy and 2 of the 4 boilers at Brandon were replaced in the year to 30 April 2020 with more efficient models, with the remaining 2 heaters replaced in November 2020, which has reduced gas consumption. Unfortunately, our Covid secure protocols do require greater levels of ventilation through all work areas, which is at odds with our efforts to minimise heat loss through the colder months.

### Employee involvement

The Group has two Employee Consultative Groups, one for Brandon, one for Hull with representatives from all sections of the business. The purpose of these is to be a two way discussion where the representatives are told about the financial and economic factors affecting the performance of the Group and where employees, through their representative, can express views on matters that affect them and the business.

Additionally, operational management is in regular contact with employees through notice board announcements, private company Facebook and WhatsApp groups and through Company briefings (with Q&A) from the CEO held at least twice a year as well as departmental briefings and factory toolbox talks.

### Disabled employees

The Group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

The Group's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the Group, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the Group. Retraining of employees who become disabled whilst employed by the Group is offered where appropriate.

### Matters covered in the Group Strategic Report

The Directors have included a business review within the Strategic report. Also included in the Strategic report are details of the future developments of the Group, the principal risks and uncertainties and a review of the key performance indicators as assessed by the Directors.

# Omar Group Holdings Limited

## Directors' Report (continued) For the Year Ended 30 April 2022

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### Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

### Auditor

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board on 23rd September 2022 and signed on its behalf.



**D G Chilton**  
Director

# **Omar Group Holdings Limited**

## **Directors' Responsibilities Statement For the Year Ended 30 April 2022**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Omar Group Holdings Limited

## Independent Auditor's Report to the Members of Omar Group Holdings Limited

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### Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2022 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Omar Group Holdings Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 April 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and 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).

### Basis for opinion

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

### *Independence*

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

### 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 or 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 included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report 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.

# Omar Group Holdings Limited

## Independent Auditor's Report to the Members of Omar Group Holdings Limited (continued)

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### Other information (continued)

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Other Companies Act 2006 reporting

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

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

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 Strategic report or the Directors' report.

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

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

### Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the 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.

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

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



# Omar Group Holdings Limited

## Independent Auditor's Report to the Members of Omar Group Holdings Limited (continued)

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### Auditor's responsibilities for the audit of the financial statements (continued)

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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:

- We obtained an understanding of the legal and regulatory framework applicable to the Company and Group, through discussions with the Directors and management and from our general commercial experience.
- We focused on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company and Group. The key laws and regulations we considered in this context were United Kingdom Accounting Standards (Financial Reporting Standard 102), and the Companies Act 2006 and tax legislation.
- We understood how the Company and Group is complying with those legal and regulatory frameworks, by making enquiries to management, and the Directors of known or suspected instances of non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes.
- We reviewed the financial statement disclosures to assess compliance with the relevant laws and regulations discussed above. We remained alert to any indications of non-compliance throughout the audit.
- We assessed the susceptibility of the Annual Report and Financial Statements to material misstatement, including how fraud might occur, by discussing with management and the Directors to understand where it is considered there was a susceptibility of fraud.
- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements, and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results, revenue recognition, and management bias in accounting estimates.
- Audit procedures performed in response to the assessment above included: Challenging assumptions made by management in their significant accounting estimates including, but not limited to, impairment review of intangible assets; estimation of trade and intercompany debtor recoverability; estimation of warranty provision; the recognition of revenue; Identifying and testing the appropriateness of journal entries, including journals relating to revenue recognition; Substantive audit procedures testing revenue recognition, including revenue cut-off.
- Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

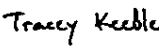
# Omar Group Holdings Limited

## Independent Auditor's Report to the Members of Omar Group Holdings Limited (continued)

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### Use of our report

This report is made solely to the Parent 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 Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
90ADC148A9614B1

**Tracey Keeble** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Ipswich  
United Kingdom

Date: 23 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Omar Group Holdings Limited

## Consolidated Statement of Comprehensive Income For the Year Ended 30 April 2022

	Note	2022 £	As restated 2021 £
Turnover	3	73,220,388	41,717,079
Cost of sales		(58,345,922)	(33,754,440)
<b>Gross profit</b>		<b>14,874,466</b>	<b>7,962,639</b>
Selling and distribution costs		(1,226,655)	(690,959)
Administrative expenses		(9,168,737)	(7,726,844)
Other operating income	4	-	1,433,684
<b>Operating profit</b>	5	<b>4,479,074</b>	<b>978,520</b>
Reversal of past impairment		-	2,970,622
Interest payable and expenses	8	(5,347,048)	(5,125,767)
<b>Loss before taxation</b>		<b>(867,974)</b>	<b>(1,176,625)</b>
Taxation on loss	9	(1,945,704)	(539,810)
<b>Loss and total comprehensive income on ordinary activities for the financial year</b>		<b>(2,813,678)</b>	<b>(1,716,435)</b>
<b>Loss for the year attributable to:</b>			
Owners of the Parent Company		<b>(2,813,678)</b>	<b>(1,716,435)</b>

There was no other comprehensive income for 2022 (2021 - £Nil).

The notes on pages 23 to 50 form part of these financial statements.

Non-statutory reconciliation of loss for the year to earnings before interest, tax, depreciation, amortisation and impairment ("EBITDA") for the year ended 30 April 2022.

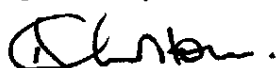
	2022 £	2021 £
Loss for the year attributable to owners of the Parent Company	(2,813,678)	(1,716,435)
Depreciation	478,737	410,126
Amortisation	3,219,328	3,215,793
Reversal of past impairment	-	(2,970,622)
Interest payable and expenses	5,347,048	5,125,767
Tax	1,945,704	539,810
<b>EBITDA</b>	<b>8,177,139</b>	<b>4,604,439</b>

**Omar Group Holdings Limited**  
Registered number: 10694240

**Consolidated Statement of Financial Position**  
**As at 30 April 2022**

	Note	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Intangible assets	10		23,869,287		27,058,315
Tangible assets	11		1,664,733		921,469
			<u>25,534,020</u>		<u>27,979,784</u>
<b>Current assets</b>					
Stocks	13	6,795,810		4,997,873	
Debtors: amounts falling due within one year	14	12,875,311		16,807,583	
Cash at bank and in hand	15	11,091,083		5,544,341	
		<u>30,762,204</u>		<u>27,349,797</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(25,252,198)		(16,403,227)	
<b>Net current assets</b>			<u>5,510,006</u>		<u>10,946,570</u>
<b>Total assets less current liabilities</b>			<u>31,044,026</u>		<u>38,926,354</u>
Creditors: amounts falling due after more than one year	17		(43,981,578)		(50,171,083)
<b>Provisions for liabilities</b>					
Deferred taxation	20	(5,707,189)		(4,696,613)	
Other provisions	21	(1,912,370)		(1,802,091)	
			<u>(7,619,559)</u>		<u>(6,498,704)</u>
<b>Net liabilities</b>			<u>(20,557,111)</u>		<u>(17,743,433)</u>
<b>Capital and reserves</b>					
Called up share capital	22		105,605		105,605
Share premium account	23		984,895		984,895
Profit and loss account	23		(21,647,611)		(18,833,933)
<b>Equity attributable to owners of the parent Company</b>			<u>(20,557,111)</u>		<u>(17,743,433)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
23rd September 2022.

  
D G Chilton  
Director

The notes on pages 23 to 50 form part of these financial statements.

**Omar Group Holdings Limited**  
Registered number: 10694240

**Company Statement of Financial Position**  
**As at 30 April 2022**

	Note	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Investments	12		1		1
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	14	-		713,903	
Debtors: amounts falling due within one year	14	1,312,570		639,999	
Creditors: amounts falling due within one year	16	(719,816)		-	
			<u>592,754</u>		<u>1,353,902</u>
<b>Net assets</b>			<u>592,755</u>		<u>1,353,903</u>
<b>Capital and reserves</b>					
Called up share capital	22		105,605		105,605
Share premium account	23		984,895		984,895
Profit and loss account brought forward		263,403		186,928	
Loss/(profit) for the year		(761,148)		76,475	
			<u>(497,745)</u>		<u>263,403</u>
Profit and loss account carried forward			<u>592,755</u>		<u>1,353,903</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

23rd September 2022.

  
D G Chilton  
Director

The notes on pages 23 to 50 form part of these financial statements.

# Omar Group Holdings Limited

## Consolidated Statement of Changes in Equity For the Year Ended 30 April 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 May 2021	105,605	984,895	(18,833,933)	(17,743,433)
<b>Comprehensive income/(expense) for the year</b>				
Loss for the year	-	-	(2,813,678)	(2,813,678)
<b>Total comprehensive income/(expense) for the year</b>	-	-	(2,813,678)	(2,813,678)
<b>Contributions by and distributions to owners</b>				
<b>Total transactions with owners</b>	-	-	-	-
<b>At 30 April 2022</b>	<b>105,605</b>	<b>984,895</b>	<b>(21,647,611)</b>	<b>(20,557,111)</b>

## Consolidated Statement of Changes in Equity For the Year Ended 30 April 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 May 2020	104,700	895,300	(17,117,498)	(16,117,498)
<b>Comprehensive income/(expense) for the year</b>				
Loss for the year	-	-	(1,716,435)	(1,716,435)
<b>Total comprehensive income/(expense) for the year</b>	-	-	(1,716,435)	(1,716,435)
<b>Contributions by and distributions to owners</b>				
Shares issued during the year	905	89,595	-	90,500
<b>Total transactions with owners</b>	905	89,595	-	90,500
<b>At 30 April 2021</b>	<b>105,605</b>	<b>984,895</b>	<b>(18,833,933)</b>	<b>(17,743,433)</b>

The notes on pages 23 to 50 form part of these financial statements.

# Omar Group Holdings Limited

## Company Statement of Changes in Equity For the Year Ended 30 April 2022

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2021	105,605	984,895	263,403	1,353,903
<b>Comprehensive income/(expense) for the year</b>				
Loss for the year	-	-	(761,148)	(761,148)
<b>Total comprehensive income/(expense) for the year</b>	-	-	(761,148)	(761,148)
<b>Total transactions with owners</b>	-	-	-	-
<b>At 30 April 2022</b>	<b>105,605</b>	<b>984,895</b>	<b>(497,745)</b>	<b>592,755</b>

## Company Statement of Changes in Equity For the Year Ended 30 April 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2020	104,700	895,300	186,928	1,186,928
<b>Comprehensive income/(expense) for the year</b>				
Profit for the year	-	-	76,475	76,475
<b>Total comprehensive income/(expense) for the year</b>	-	-	76,475	76,475
<b>Contributions by and distributions to owners</b>				
Shares issued during the period	905	89,595	-	90,500
<b>Total transactions with owners</b>	905	89,595	-	90,500
<b>At 30 April 2021</b>	<b>105,605</b>	<b>984,895</b>	<b>263,403</b>	<b>1,353,903</b>

The notes on pages 23 to 50 form part of these financial statements.

# Omar Group Holdings Limited

## Consolidated Statement of Cash Flows For the Year Ended 30 April 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(2,813,678)	(1,716,435)
<b>Adjustments for:</b>		
Amortisation of intangible assets	3,219,328	3,215,793
Depreciation of tangible assets	478,737	410,126
Reversal of past impairment	-	(2,970,622)
Interest payable	5,347,048	5,125,767
Taxation charge	1,945,704	539,810
(Increase) in stocks	(1,797,937)	(1,352,980)
(Increase)/decrease in debtors	(935,002)	10,825,380
Increase/(decrease) in creditors	6,614,265	(2,723,250)
Increase/(decrease) in provisions	110,279	(435,400)
Corporation tax paid	(720,000)	(492,860)
<b>Net cash generated from operating activities</b>	<b>11,448,744</b>	<b>10,425,329</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,222,001)	(404,481)
Purchase of intangible fixed assets	(30,300)	-
<b>Net cash used in investing activities</b>	<b>(1,252,301)</b>	<b>(404,481)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	-	90,500
Repayment of bank loans	(4,045,000)	(7,502,500)
Interest paid on other loans	(4,985)	(141,352)
Interest paid on bank loans	(599,716)	(840,926)
Interest paid on debtors with recourse financing facility	-	(6,088)
<b>Net cash used in financing activities</b>	<b>(4,649,701)</b>	<b>(8,400,366)</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,546,742</b>	<b>1,620,482</b>
Cash and cash equivalents at beginning of year	5,544,341	3,923,859
<b>Cash and cash equivalents at the end of year</b>	<b>11,091,083</b>	<b>5,544,341</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	11,091,083	5,544,341

The notes on pages 23 to 50 form part of these financial statements.



## Omar Group Holdings Limited

### Major non-cash transactions

As explained within note 14, in the prior year some of the Group's customers utilise third-party recourse finance facilities as a form of credit for payment to the Group for the goods sold to them. The movement year-on-year in amounts owed from the Group's customers for these homes sold was included within the decrease/(increase) in debtors, within the reconciliation of cash flows from operating activities to net cash generated from operating activities. Under certain circumstances the customers finance providers could request that the Group repurchases the homes sold where the customer has used that recourse finance facility as a form of credit. The potential exposure the group had at the prior year end in relation to customers who used this *third-party recourse finance facility* is shown as a separate item within note 14 as Trade debtors under recourse finance, with a corresponding liability shown within note 16 as Proceeds of debt with recourse. In relation to the consolidated statement of cash flows, the movement in this separate recourse finance asset and liability is a non-cash transaction. As at 30 April 2022, there were no such recourse finance facilities in place, and accordingly no related recourse finance asset or liability is presented within notes 14 and 16 at 30 April 2022.

The notes on pages 23 to 50 form part of these financial statements.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

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### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

Omar Group Holdings Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act. The registered office and registered number are shown on the Contents page and the principal activities are set out in the Directors' report. The financial statements contain information about the Company and Group.

The functional currency is sterling and the figures are presented in GBP.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's and Company's accounting policies (see note 2).

#### *Parent Company disclosure exemptions*

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the Parent Company would be identical;
- No cash flow statement or net debt reconciliation has been presented for the Parent Company;
- Disclosures in respect of the Parent Company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

#### 1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

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### 1. Accounting policies (continued)

#### 1.3 Going concern

The Group has bank loan and related bank borrowing facilities with HSBC UK Bank plc ("HSBC") of £10.76M and the Group also has Loan Note liabilities (owed primarily to the ultimate shareholders of the Group). Both the HSBC bank borrowings and the Loan Note liabilities are secured by a group guarantee and debenture with a fixed and floating charge over the assets of the Group, as explained within note 16, 17, 18 and 27.

The directors have built an updated, bottom up 5 year business plan during the first calendar quarter of 2022 to reflect current views on economic conditions and the outlook for its businesses, these forecasts show continuing improvement in the financial performance of the Group.

HSBC has been, and remains, consistently supportive of the Group, particularly through the extremely difficult early pandemic period, agreeing to amendments to the Group's banking arrangements which came into effect on 30th April 2020 and 25th November 2020, and ran through to 30th April 2021 when banking arrangements reverted to the original agreement. From that point (30th April 2021) the Group has comfortably maintained financial covenant compliance and current forecasts show that the Group will continue to do so for the entire duration of our agreement with HSBC. This includes meeting all scheduled interest payments and all scheduled loan repayments through to termination of the agreement on 18th April 2023. In reviewing these forecasts and the robustness of covenant compliance inherent within them, the covenant with the lowest headroom (i.e., smallest margin for error) over the remaining covenant test points has headroom in excess of 110%. Further stress testing of the forward forecast indicates that in the very unlikely event of a sudden and significant contraction in demand, then, all other things being equal, the Group would maintain sufficient liquidity to meet its ongoing financial obligations.

At the year end the Group had net current assets of £5,510,006 (2021 - £10,946,570) and net liabilities of £20,557,111 (2021 - £17,743,433). The directors consider that the Group has sufficient financial resources to readily meet its immediate operational obligations and service creditor amounts falling due within one year, including the scheduled interest payments to HSBC and final settlement of the HSBC Term Loan (bank borrowings) in April 2023.

The majority Loan Note holders are also shareholders of the Group. They continue to give their full support to the Group and on 31st August 2022, they formally extended the Loan Note redemption date for all outstanding Loan Notes to 30th September 2024 (refer to note 31). In doing so, all related cash outflows associated with the Loan Notes, including interest repayments, are deferred beyond a 12-month period from the date of these accounts being signed.

Given the financial strength of the Company and Group, along with the strong order book and solid growth forecasts, combined with the continuing support of both HSBC and the majority Loan Note holders at the Group level, the directors consider it entirely appropriate that the financial statements are prepared on a going concern basis.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

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### 1. Accounting policies (continued)

#### 1.4 Turnover

Turnover is the total amount receivable by the Group for goods supplied and services provided to customers during the year, excluding value added tax and net of trade discounts. Revenue from the sale of goods is recognised when the significant risks and benefits of ownership have been transferred to the buyer, which is usually on completion of the home based on specific contract terms.

Sale of goods - The Group recognises revenue from the sale of goods when all the following conditions are satisfied:

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

Commission income is recognised once the related service provided has been completed.

Refurbishment revenue is recognised on completion of each individual project.

Revenue for the installation of upvc decking and fencing is recognised on completion of the installation, and for the supply of related products, revenue is recognised on delivery of goods.

#### 1.5 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in Consolidated Statement of Comprehensive Income within 'other operating income'.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

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### 1. Accounting policies (continued)

#### 1.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the period of the lease. Operating lease incentives received or payments made to enter into operating lease agreements are released to the Consolidated Statement of Comprehensive Income over the term of the lease.

In prior years the Group incurred costs entering into an operating lease, and received a government grant as part contribution for entering into the operating lease. The net cost incurred under that operating lease has been recognised as a prepayment and is spread over the lease term.

#### 1.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

#### 1.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

#### 1.9 Finance costs

Finance costs are charged to Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 1.10 Borrowing costs

All borrowing costs are recognised in Consolidated Statement of Comprehensive Income in the year in which they are incurred.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

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### 1. Accounting policies (continued)

#### 1.11 Provisions

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Group has made a provision for costs that are likely to arise relating to after sales warranties issued to customers. Costs in relation to this are included within cost of sales.

The Group makes a credit note provision for revenue recognised in the year for which post year end credit notes were issued. No credit note provision was required at the year end (2021 - £Nil). Provision is made (when required) based on the expected level of returns, which is based on both the historical experience of returns and management's best estimate of expected returns, under the circumstances existing at the year end. The provision for credit notes is recognised by charging the related credit note cost against turnover.

#### 1.12 Pensions

##### Defined contribution pension plan

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

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

#### 1.13 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

#### 1.14 Intangible assets

##### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income (within administrative expenses) over its useful economic life, which is currently 20 years in respect of the acquisition of Omar Group Limited in April 2017 and 7 years in respect of the acquisition of UK Sundecks Limited in October 2018.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 1. Accounting policies (continued)

#### 1.14 Intangible assets (continued)

##### Other intangible assets

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

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years. Amortisation on intangible assets is charged to the Consolidated Statement of Comprehensive Income (within administrative expenses).

##### Useful economic life reasoning

The useful economic life ("UEL") of the intangible assets was determined by the Directors and deemed appropriate based on the following reasoning:

Customer Relationships - Fair value initially recognised at acquisition was based on the Income Method, as it reflects the present value of the operating cash flows generated from Omar's Customer Relationships. Management adopted appropriate assumptions and discount rates in determining the present values of the future cash under this method. The UEL was based on the number of years that results in 90% of the total fair value (when amortising the asset on a straight line basis), and reflects the pattern of economic benefits of the cashflows (the majority of benefits being generated during the earlier years).

Omar Brand - Given the brands have been in existence for a significant number of years the Directors believe the brands to have a UEL of 20 years from the date of their initial acquisition.

Goodwill - Given the history of the respective businesses and the number of years they have been in existence, the Directors believe the goodwill has a UEL of 20 years in respect of the acquisition of Omar Group Limited in April 2017 and 7 years in respect of the acquisition of UK Sundecks Limited in October 2018, from the date of their initial acquisition.

The Directors have reviewed the remaining UEL at 30 April 2022 of all of the above intangible assets, and concluded they remain appropriate.

At 30 April 2022 the remaining amortisation period of the intangible assets is shown below:

Customer Relationships	-	8 years
Omar Brand Name	-	15 years
Order backlog	-	fully amortised
Intellectual property rights	-	7.5 years
Omar Group Ltd Goodwill	-	fully amortised/impaired
UK Sundecks Limited Goodwill	-	3.5 years

The estimated useful lives range as follows:

Order backlog	-	1	year - straight line
Brand	-	20	years - straight line
Customer relationships	-	13	years - straight line

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

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### 1. Accounting policies (continued)

#### 1.15 Tangible fixed assets

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

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 14 - 20%
Plant and machinery	- 10 - 25%
Motor vehicles	- 25 - 50%
Office equipment	- 20 - 25%
Computer equipment	- 10 - 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### 1.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 1.17 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.



# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

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### 1. Accounting policies (continued)

#### 1.18 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 1.19 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

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### 1. Accounting policies (continued)

#### 1.19 Financial instruments (continued)

##### **Derecognition of financial assets and liabilities**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards or 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.

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

##### **Recourse finance facilities**

As explained within note 14, some of the Group's customers utilise third-party recourse finance facilities as a form of credit for payment to the Group for the goods sold to them. The movement year-on-year in amounts owed from the Group's customers for these homes sold is included within the decrease/(increase) in debtors, within the reconciliation of cash flows from operating activities to net cash generated from operating activities. Under certain circumstances the customers finance providers can request that the Group repurchases the homes sold where the customer has used that recourse finance facility as a form of credit. The potential exposure the group has at the year end in relation to customers who used this third-party recourse finance facility is shown as a separate item within note 14 as Trade debtors under recourse finance, with a corresponding liability shown within note 16 as Proceeds of debt with recourse. In relation to the consolidated statement of cash flows, the movement in this separate recourse finance asset and liability is a non-cash transaction. As at 30 April 2022, there were no such recourse finance facilities in place, and accordingly no related recourse finance asset or liability is presented within notes 14 and 16 at 30 April 2022.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

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### 1. Accounting policies (continued)

#### 1.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

*Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:*

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 1.21 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 1.22 Expenses classification

Expenses are categorised between cost of sales, selling and distribution costs and administrative expenses, based upon the underlying nature and elements of the costs. Cost of sales includes direct materials and other direct expenses, direct labour, and related indirect fixed and variable costs. Selling and distribution costs include sales and marketing related costs and related transportation costs. Administrative expenses include all other operating costs.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

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### 2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have made the following judgements:

- Determine whether leases entered into by the Group as lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill and other intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether debtors are recoverable, including determining whether trade debtors and trade debtors under recourse finance are recoverable, and considering whether intercompany debtors balances are recoverable (for the Company). Consideration is made of any objective evidence of impairment of any financial assets that are measured at cost or amortised cost, including observable data that come to the attention of the Group or Company or other factors which may also be evidence of impairment, including significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in respect of that financial asset. Consideration is also made taking into account of factors such as payment history, and management's knowledge of their customer base and their financial position.
- Determine whether the warranty provision is recognised in respect of after sales warranties issued to customers represents an accurate estimation of the potential liability. Factors taken into consideration include anticipated claim volumes under the warranty scheme and past experience in respect of the nature and value of these claims.
- For financial liabilities due after one year ('other loans which are Loan Notes from shareholders'), which may constitute financing transactions, the Directors evaluate at the inception of the instrument whether the interest rate on these borrowings is at a market rate of interest for a similar debt instrument. Hence judgements are made in relation to the determination of market rates of interest for a similar debt instruments. The Directors deemed that the interest rate on these liabilities which is for the Group balances: 7% for £2.5m of the original capital of other loans falling due after one year, and 12% for £22.8m of the original capital balances of other loans falling due after one year, is the same as a market rate of interest for a similar debt instrument at the date of their inception.
- Goodwill and intangible assets - The Group also establishes the fair value of assets and liabilities acquired as part of business combinations, and this also includes the identification of intangible assets arising on business combinations, which are determined using valuation techniques. The Group also establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. Positive goodwill acquired on each business combination is capitalised, classified as an asset on the Statement of Financial Position and amortised on a straight line basis over its useful life.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 2. Judgements in applying accounting policies (continued)

Other key sources of estimation uncertainty:

Tangible fixed assets (see note 11)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the assets and projected disposal values.

Provisions (see note 21)

Warranty provisions are estimated based on historic experience and trends, the actual claims made under the warranty scheme depend on a number of factors. In determining the warranty provision previous claim proportions and values of claims are compared against current products and the likelihood of a claim being made, considering the stage at which the sale is within the warranty period.

Impairment of tangible and intangible assets including goodwill (see note 10)

The key assumptions applied within the discounted cash flow included: determining the underlying future cash flow forecasts, based upon the directors best estimates; the application of a suitable discount rate, the directors applied a discount rate of 14.5% to a five year cash flow and including a terminal value (with a terminal value growth rate of 3% being applied).

### 3. Analysis of turnover

Turnover of £69,873,712 (2021 - £39,015,687) is attributable to the design, manufacture sale and refurbishment of park homes, lodges and holiday homes, and related activities, and turnover of £3,346,676 (2021 - £2,701,392) to the installation and supply of UPVC decking and fencing.

All turnover arose within the United Kingdom.

### 4. Other operating income

	2022 £	2021 £
Government grants receivable	-	1,433,684

Government grants receivable represent amounts receivable from the UK government in respect of the Coronavirus Job Retention Scheme.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 5. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	478,737	410,126
Amortisation of intangible assets, including goodwill	3,219,328	3,215,793
Fees payable to the Group's auditor for the audit of the Company's annual financial statements	25,500	16,000
Fees payable to the Group's auditors for other services to the Group:		
- the audit of the Group's subsidiaries pursuant to legislation	44,550	26,500
- other non-audit services	16,520	15,750
Operating lease rentals	1,471,730	975,046
Defined contribution pension cost	492,774	372,541

### 6. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	18,703,371	12,250,485	-	-
Social security costs	1,757,259	1,172,848	-	-
Cost of defined contribution scheme	492,774	372,541	-	-
	<u>20,953,404</u>	<u>13,795,874</u>	<u>-</u>	<u>-</u>

The average monthly number of employees in the Group, including the Directors, during the year was as follows:

	2022 No.	2021 No.
Manufacturing and production	506	369
Directors and administration	87	68
	<u>593</u>	<u>437</u>

The Company had no employees in either year.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 7. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	929,659	1,164,301
Directors pension costs	50,987	55,641
	<u>980,646</u>	<u>1,219,942</u>

The highest paid Director received remuneration of £291,097 (2021 - £395,430).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £35,627 (2021 - £50,000). In addition to that remuneration, during the year the highest paid director received an additional amount of directors remuneration of £214,267 (which is not included within the directors emoluments disclosure above). That additional amount related to directors pension costs owed to that director by the Group of which £201,766 was included within accruals brought forward at 30 April 2021 and £12,501 was expensed as remuneration in the year. During the year, that director elected to receive this amount as remuneration, rather than as pension contributions.

During the year retirement benefits were accruing to 3 (2021 - 3) Directors in respect of defined contribution pension schemes.

### 8. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	776,568	1,026,410
Other loan interest payable	4,570,480	4,099,357
	<u>5,347,048</u>	<u>5,125,767</u>

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 9. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on loss for the year	847,800	473,235
Adjustments in respect of previous periods	87,328	(3,870)
<b>Total current tax</b>	<u>935,128</u>	<u>469,365</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	242,168	(592)
Adjustments in respect of previous periods	(46,568)	3,396
Charged/(credited) to statement of comprehensive income - unwinding of deferred tax arising on intangible assets from business combinations, including deferred tax movements from related impairment and impairment reversals on those intangible assets	(653,654)	67,641
Charged to statement of comprehensive income - impact of change in tax rate on deferred tax on other intangible assets arising on past business combinations	1,468,630	-
<b>Total deferred tax</b>	<u>1,010,576</u>	<u>70,445</u>
<b>Taxation on profit on ordinary activities</b>	<u>1,945,704</u>	<u>539,810</u>



# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 9. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	<b>(867,974)</b>	(1,176,625)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	<b>(164,918)</b>	(223,559)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>207,437</b>	117,419
Capital allowances for year in excess of depreciation	<b>(53,182)</b>	18,083
Adjustments to tax charge in respect of prior periods	<b>87,328</b>	(3,869)
Adjustments to tax charge in respect of prior periods - deferred tax	<b>(46,568)</b>	3,396
Remeasurement of deferred tax for changes in tax rates	<b>1,375,042</b>	-
Transfer pricing	<b>388,856</b>	534,869
Deferred tax not recognised	<b>151,709</b>	115,424
Other	-	(21,953)
<b>Total tax charge for the year</b>	<b>1,945,704</b>	539,810

#### Factors that may affect future tax charges

At the year end the Group had timing differences carried forward of £2,528,484 (2021 - £2,941,602). No related deferred tax asset at a tax rate of 25% (2021 - 19%) of £632,121 (2021 - £558,904) has been recognised as it is not foreseeable that these losses will be utilised and the asset recovered.

The corporation tax rate in the UK for the year ended 30 April 2022 was 19% (2021 - 19%). UK deferred tax liabilities are calculated using 25% for all those expected to reverse in the future.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate will increase 25%. Substantive enactment occurred on 24 May 2021, therefore deferred tax balances in these financial statements have been calculated at 25% (2021 - 19%).

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 10. Intangible assets

#### Group

	Order backlog £	Intellectual property rights £	Brand £	Customer relationships £	Goodwill £	Total £
<b>Cost</b>						
At 1 May 2021	1,500,000	-	2,600,000	32,300,000	13,666,727	50,066,727
Additions	-	30,300	-	-	-	30,300
At 30 April 2022	1,500,000	30,300	2,600,000	32,300,000	13,666,727	50,097,027
<b>Amortisation</b>						
At 1 May 2021	1,500,000	-	524,274	10,022,713	10,961,425	23,008,412
Charge for the year	-	3,535	130,000	2,484,615	601,178	3,219,328
At 30 April 2022	1,500,000	3,535	654,274	12,507,328	11,562,603	26,227,740
<b>Net book value</b>						
At 30 April 2022	-	26,765	1,945,726	19,792,672	2,104,124	23,869,287
At 30 April 2021	-	-	2,075,726	22,277,287	2,705,302	27,058,315

All intangible assets relate to the Group. The Company does not have any intangible assets.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 11. Tangible fixed assets

#### Group

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Office and computer equipment £	Total £
<b>Cost</b>					
At 1 May 2021	502,531	879,013	422,732	291,908	2,096,184
Additions	156,776	589,507	399,084	76,634	1,222,001
Disposals	-	-	(11,750)	-	(11,750)
At 30 April 2022	659,307	1,468,520	810,066	368,542	3,306,435
<b>Depreciation</b>					
At 1 May 2021	261,355	439,302	245,136	228,922	1,174,715
Charge for the year	108,063	212,667	104,317	53,690	478,737
Disposals	-	-	(11,750)	-	(11,750)
At 30 April 2022	369,418	651,969	337,703	282,612	1,641,702
<b>Net book value</b>					
At 30 April 2022	289,889	816,551	472,363	85,930	1,664,733
At 30 April 2021	241,176	439,711	177,596	62,986	921,469

The Company has no tangible fixed assets.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 12. Fixed asset investments

#### Company

	Investments in subsidiary companies £
<b>Cost and net book value</b>	
At 1 May 2021 and 30 April 2022	<u><u>1</u></u>

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Omar Group Finance Limited	Ordinary	100%
Omar Group Investments Limited*	Ordinary	100%
UK Sundecks Limited*	Ordinary	100%
Omar Group Limited*	Ordinary	100%
Omar Park Homes Limited*	Ordinary	100%
Regal Leisure Homes Limited*	Ordinary	100%

\*subsidiary indirectly held.

The registered office for all of the above named subsidiaries is Pleszko House, 227 London Road, Brandon, Suffolk, IP27 0NE.

All subsidiaries have been included in this consolidation.

Of the above subsidiaries, Omar Group Finance Limited, Omar Group Investments Limited, Omar Group Limited, Regal Leisure Homes Limited and UK Sundecks Limited, which are included in these consolidated financial statements, are entitled to, and have opted to take, the exemption from the requirement for their individual accounts to be audited under S479A of the Companies Act 2006 relating to subsidiary companies.

### 13. Stocks

	Group 2022 £	Group 2021 £
Raw materials and consumables	5,307,538	2,639,394
Work in progress	1,148,969	2,031,245
Finished goods and goods for resale	339,303	327,234
	<u><u>6,795,810</u></u>	<u><u>4,997,873</u></u>

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 14. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	-	713,903
	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
<b>Due within one year</b>				
Trade debtors	10,564,515	10,358,525	-	-
Trade debtors under recourse finance	-	4,690,788	-	-
Amounts owed by group undertakings	-	-	1,312,570	639,999
Other debtors	935,031	489,210	-	-
Prepayments and accrued income	1,375,765	1,092,574	-	-
Corporation tax recoverable	-	176,486	-	-
	<b>12,875,311</b>	<b>16,807,583</b>	<b>1,312,570</b>	<b>639,999</b>

The amount recognised in the Statement of Comprehensive Income for the year in respect of the movement of bad and doubtful debtor provisions was an impairment credit of £244,819 (2021 - £270,000).

In relation to trade debtors, in tune with the industry and their customers, the Group extends cash flow to customers as they develop their sites. Accordingly the Group's cash flow and debtor book therefore reflect that fact. The Directors assess the recoverability of the debtor book at year end, and where amounts are not considered recoverable, amounts are provided for.

In the prior year end, to assist with cash flow in light of the deferred payment terms offered to customers in some cases, the Group also utilised recourse finance facilities with third parties providing credit to customers. The proceeds the Group received from these facilities were debt subject to recourse and were secured over the home sold, and under certain circumstances the finance providers could request that the Group repurchased the homes sold under finance. The amount of trade debtors under this facility at the prior year end were shown as Trade debtors under recourse finance, with a corresponding liability shown within note 16 as Proceeds of debt with recourse. The Directors assessed the recoverability of these trade debtors subject to recourse at the prior year end, considering factors such as payment history and credit worthiness, and where amounts are not considered recoverable, amounts are provided for. As at 30 April 2022, there were no such recourse finance facilities in place, and accordingly no related recourse finance asset or liability is presented within notes 14 and 16 at 30 April 2022.

For the Company, group debtors due after more than one year £Nil (2021 - £713,903) are Loan Notes which fall due for repayment in April 2023.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 15. Cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash at bank and in hand	<u>11,091,083</u>	<u>5,544,341</u>

The Company holds no cash.

### 16. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	10,755,000	3,868,148	-	-
Trade creditors	9,431,725	3,341,123	-	-
Amounts owed to group undertakings	-	-	719,816	-
Corporation tax	38,642	-	-	-
Other taxation and social security	653,096	482,966	-	-
Proceeds of debt with recourse	-	4,690,788	-	-
Other creditors	924,029	749,542	-	-
Accruals and deferred income	3,449,706	3,270,660	-	-
	<u>25,252,198</u>	<u>16,403,227</u>	<u>719,816</u>	<u>-</u>

Bank loans are secured by a fixed and floating charge over the assets of the Group.

Proceeds of debt with recourse of £Nil (2021 - £4,690,788) are secured over the home sold and under certain circumstances the finance provider can request that the Company repurchases the homes sold under finance. As at 30 April 2022, there were no such recourse finance facilities in place, and accordingly no related recourse finance asset or liability is presented within notes 14 and 16 at 30 April 2022.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 17. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £
Bank loans	-	10,755,000
Other loans	42,366,670	37,970,898
Accrued interest on other loans	1,614,908	1,445,185
	<b>43,981,578</b>	<b>50,171,083</b>

Bank loans are secured by a fixed and floating charge over the assets of the Group.

Other loans (Loan Notes) are secured by a fixed and floating charge over the assets of the Group (detailed further in note 18).

The Company has no creditors due after more than one year.

### 18. Loans

Analysis of the maturity of loans is given below:

	Group 2022 £	Group 2021 £
<b>Amounts falling due within one year</b>		
Bank loans	10,755,000	3,868,148
<b>Amounts falling due 1-2 years</b>		
Bank loans	-	10,755,000
Other loans	42,366,670	-
<b>Amounts falling due 2-5 years</b>		
Other loans	-	37,970,898
	<b>53,121,670</b>	<b>52,594,046</b>

Bank loans comprise three borrowing facilities in use at year end.

The Facility A loan, with an initial capital amount in April 2017 of £7,150,000, was repayable in installments. At the year end the loan has been fully repaid in the year in line with scheduled installment payments. Interest was charged at Margin of 3.5% plus 3 month SONIA. Margin could have reduced if net leverage reduced, down to a margin of 3.25%. Margin could have increased if net leverage increased, up to a margin of 3.75%. Interest was paid quarterly.

The Facility B loan, with an initial capital amount in April 2017 of £10,755,000, is repayable in full on 18 April 2023. Interest is charged at Margin of 4.00% plus 3 month SONIA. Margin can reduce if net leverage reduces, down to a margin of 3.5%. Margin can increase if net leverage increases, up to a margin of 4.25%. Interest is paid quarterly.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 18. Loans (continued)

An acquisition facility of £Nil, as this was fully repaid in the year (2021 - £1,400,000). Interest was charged at Margin of 3.50% plus 3 month SONIA. Margin could have reduced if net leverage reduced, down to a margin of 3.25%. Margin could have increased if net leverage increased, up to a margin of 3.75%. Interest was paid quarterly.

Other loans (Loan Notes) include amounts with an initial capital amount in April 2017 of £22,797,752, which at the year end were repayable in full in June 2023. Subsequent to the year end (refer to note 31), the redemption date was amended to 30 September 2024. Interest accrues at 12% and is compounded every 12 months and added to the balance of the loan, to be repaid with the capital balance in September 2024. The Loan Notes are repayable on redemption date, which is the earlier of 30 June 2023 (subsequently amended to 30 September 2024, refer to note 31), the date upon which a sale or listing shall occur or the date of disposal, being a sale of all, or substantially all of the business and assets of the Group which the Company is part of, to one or more buyers whether through a single transaction or a series of transactions.

Other loans (Loan Notes) include amounts with an initial capital amount in April 2017 of £2,500,000, which at the year end were repayable in full in June 2023. Subsequent to the year end (refer to note 31), the redemption date was amended to 30 September 2024. Interest accrues at 7% and is compounded every 12 months and added to the balance of the loan, to be repaid with the capital balance in September 2024, as explained in note 31. The Loan Notes are repayable on redemption date, which is the earlier of 30 June 2023 (subsequently amended to 30 September 2024, refer to note 31), the date upon which a sale or listing shall occur or the date of disposal, being a sale of all, or substantially all of the business and assets of the Group which the Company is part of, to one or more buyers whether through a single transaction or a series of transactions.

### 19. Financial instruments

Information regarding the Group's exposure to and management of credit risk, liquidity risk, market risk and cash flow interest rate risk is included in the Directors Report. The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>
<b>Interest expense</b>		
Total interest expense for financial liabilities at amortised cost	<b>5,347,048</b>	<b>5,125,767</b>

Impairment losses on financial assets measured at amortised cost in respect of trade debtors are disclosed within note 14.



# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 20. Deferred taxation

#### Group

	2022 £	2021 £
Asset/(liability) at beginning of year	(4,696,613)	(4,626,168)
Charged to profit or loss, including changes in tax rates	(203,050)	(2,804)
(Charged)/credited to statement of comprehensive income - unwinding of deferred tax arising on intangible assets from business combinations, including deferred tax movements from related impairment and impairment reversals on those intangible assets, and changes in tax rates	(807,526)	(67,641)
<b>Asset/(liability) at end of year</b>	<b>(5,707,189)</b>	<b>(4,696,613)</b>
	<b>Group 2022 £</b>	<b>Group 2021 £</b>
Fixed asset timing difference	(364,144)	(134,624)
Other short term timing difference	90,931	64,461
Deferred tax on difference between fair value and tax bases of intangible fixed assets	(5,433,976)	(4,626,450)
	<b>(5,707,189)</b>	<b>(4,696,613)</b>

The amount of the net reversal of deferred tax liabilities expected to occur in the year end 30 April 2022 is a reduction in the deferred tax liability of £363,726 (2021 - £339,269) due to reversal of timing differences and unwinding of deferred tax arising on intangible assets arising from business combinations.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate will increase 25%. Substantive enactment occurred on 24 May 2021, therefore deferred tax balances in these financial statements have been calculated at 25% (2021 - 19%).

The Company has no deferred tax liability.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 21. Provisions

#### Group

	After sales warranty provision £
At 1 May 2021	1,802,091
Charged to profit or loss	1,872,000
Utilised in year	(1,761,721)
<b>At 30 April 2022</b>	<b>1,912,370</b>

The Group has made a provision for costs that are likely to arise relating to after sales warranties issued to customers.

The Company has no provisions.

### 22. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
500,001 (2021 - 500,001) A Ordinary shares of £0.10 each	50,000	50,000
389,340 (2021 - 389,340) B1 Ordinary shares of £0.10 each	38,934	38,934
50,660 (2021 - 50,660) B2 Ordinary shares of £0.10 each	5,066	5,066
26,500 (2021 - 26,500) C1 Ordinary shares of £0.10 each	2,650	2,650
23,500 (2021 - 23,500) C2 Ordinary shares of £0.30 each	7,050	7,050
9,999 (2021 - 9,999) C3 Ordinary shares of £0.10 each	1,000	1,000
90,500 (2021 - 90,500) C4 Ordinary shares of £0.01 each	905	905
	<b>105,605</b>	<b>105,605</b>

A, B1 and B2 Ordinary shares have full voting rights and full rights to participate on any distribution (including on a dividend and on winding up). The Ordinary shares are not redeemable.

C1 Ordinary shares have no voting rights, but have full dividend rights. C2 Ordinary shares have attached to them 5% of the total voting rights and full dividend rights. C3 Ordinary shares have no voting rights and full dividend rights. C4 Ordinary shares have no voting rights or dividend rights attached to them. *Preferred capital distribution rights (including on winding up) are set out in the Articles. None of these shares are redeemable.*

Further details on all rights in relation to the above shares are included within the company's articles of association.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 23. Reserves

The Group and Company's reserves are as follows:

#### Share capital

This reserve represents the nominal value of shares issued.

#### Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

#### Profit and loss account

This reserve represents the accumulated profits and losses, less dividends and other adjustments.

### 24. Prior year adjustment

A prior year adjustment has been made within the Consolidated Statement of Comprehensive Income to reclassify from administration expenses, £4,856,649 into cost of sales and £690,959 into selling and distribution costs. The adjustment was made to more appropriately classify the costs based on their underlying nature, as the previous classification was considered to be incorrect. As a result of this adjustment, gross profit reported for the prior year reduced by £4,856,649. There was no change to the operating profit reported for the year ended 30 April 2021. There was no change to net assets at 30 April 2021. This adjustment only related to the consolidated results of the group for the prior year, and did not affect the individual parent company results reported for the year end 30 April 2021.

### 25. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund. Contributions totalling £193,026 (2021 - £141,012) were payable to the fund at the reporting date and are included in creditors.

In addition, at the year end, £Nil (2021 - £201,766) is owed to the group personal pension plan in relation to directors pension contributions.

### 26. Commitments under operating leases

At 30 April 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
Not later than 1 year	1,336,949	763,645
Later than 1 year and not later than 5 years	4,819,604	2,603,988
Later than 5 years	6,020,815	2,062,687
	<u>12,177,368</u>	<u>5,430,320</u>

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

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### 27. Other financial commitments

There is a group guarantee and debenture with a fixed and floating charge over the assets of the Company and Group. This is in relation to loan note liabilities and all other liabilities owed to the secured parties by all of Omar Group Holdings Limited (the ultimate parent company) and its subsidiaries. At 30 April 2022 the outstanding loan note liabilities which has been guaranteed totalled £43,981,578 (2021 - £39,416,083).

There is a group guarantee and debenture with a fixed and floating charge over the assets of the Company and Group. This is in relation to bank loan and borrowing facilities of the Group. At 30 April 2022 the outstanding liabilities which have been guaranteed totalled £10,755,000 (2021 - £14,800,000).

At the year end the Group had committed capital expenditure in respect of tangible fixed assets of £125,966 (2021 - £34,000).

The Company has provided a letter of financial support to its subsidiaries.

### 28. Related party transactions

Key management personnel include all Directors and a number of senior managers across the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation paid to key management personnel for services provided to the Group was £2,017,158 (2021 - £1,823,053).

During the year a monitoring fee of £150,000 (2021 - £150,000) was charged by Rutland Partners LLP, the ultimate controlling party.

During the period to 29 April 2018 other loans (Loan Notes) were issued to shareholders of Omar Group Holdings Limited and to certain Directors and key management. At the year end, other loans (Loan Notes) were outstanding and the total amount of Loan Notes held within other loans due greater than one year excluding interest is £42,366,670 (2021 - £37,970,898). Details of the interest and repayment terms are within note 18. Total interest expense in the year was £4,565,495 (2021 - £4,085,183) on these loans. Interest accrued at the year end on these loans which had not yet been added to the capital balance outstanding was £1,614,908 (2021 - £1,445,185).

### 29. Controlling party

The immediate parent of Omar Group Holdings Limited is Rutland Registrations Limited.

The consolidated accounts of Omar Group Holdings Limited are the smallest and largest group into which the results of the Company are consolidated and which are available for public use.

Omar Group Holdings Limited is ultimately controlled by Rutland Fund III Limited Partnership.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2022

### 30. Analysis of net debt

	At 1 May 2021 £	Cash flows £	Other non- cash changes £	At 30 April 2022 £
Cash at bank and in hand	5,544,341	5,546,742	-	11,091,083
Bank loans	(14,623,148)	4,045,000	(176,852)	(10,755,000)
Other loans	(37,970,898)	174,708	(4,570,480)	(42,366,670)
	<u>(47,049,705)</u>	<u>9,766,450</u>	<u>(4,747,332)</u>	<u>(42,030,587)</u>

In relation to other loans, other non-cash changes of £4,570,480 relates to amounts of interest accruing on other loans which had been added to the capital balance outstanding at the year end as explained within note 18.

### 31. Subsequent events

In respect of the Loan Notes in issue as at the balance sheet date, on 31st August 2022 a majority of the Loan Note holders extended, by way of Loan Note amendment and restatement deeds, the redemption dates of these instruments to 30th September 2024. That change had effect for all Loan Notes in issue at both the balance-sheet date, and at the date of that extension. Other than the change of redemption date, the underlying Loan Note terms were unchanged (see note 18), and interest is compounded every 12 months and added to the balance of the loan, to be repaid with the capital balance at redemption date. As a result, no cash outflows relating to the Loan Notes will be required during the 12-month period following the signing of these accounts.