

## **Omar Group Investments Limited**

Annual Report and Unaudited

Year Ended

30 April 2022

Company Number 10694909

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# Omar Group Investments Limited

## Company Information

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<b>Directors</b>	D A Westmoreland R C Greenacre D R Wardrop D G Chilton G R Craig
<b>Registered number</b>	10694909
<b>Registered office</b>	Pleszko House 227 London Road Brandon Suffolk IP27 0NE
<b>Accountants</b>	BDO LLP 16 The Havens Ransomes Europark Ipswich Suffolk IP3 9SJ

# **Omar Group Investments Limited**

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# Omar Group Investments Limited

## 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

Omar Group Investments Limited is the immediate holding company of Omar Group Limited, which in turn is the immediate holding company of Omar Park Homes Limited. The company is also the immediate holding company of UK Sundecks Limited. The company is itself a wholly owned subsidiary of Omar Group Finance Limited, and the ultimate parent company is Omar Group Holdings Ltd. The company is a non-trading entity and holds bank and other borrowings as part of the group. The business review and other narrative within the Strategic and Directors report is primarily based on looking at the performance of the group overall for the year ended 30th April 2022, being the group headed by the parent company, Omar Group Holdings Ltd ("the Group"). The main trading subsidiary in the group is Omar Park Homes Ltd but the review where relevant 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 was operational from August 2021. 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 £73.4M (2021 - £41.7M), and EBITDA of £8.9M (2021 - £4.6M), representing a return on sales (being EBITDA as a percentage of turnover) of 12.1% (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.

The Company itself monitors its borrowings as a key indicator. During the year the Company has seen a decrease in bank loans and related bank borrowings to £10,755,000 (2021 - £14,623,148), due to repayments during the financial year in respect of the Senior A-Loan facility and the acquisition facility (both repaid in full).

### 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.

# Omar Group Investments Limited

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

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### Future developments and strategy (continued)

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.

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.

# Omar Group Investments Limited

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

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### Principal risks and uncertainties (continued)

**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.

**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 Company

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.

# Omar Group Investments Limited

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

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

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

Further information regarding how the Company 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 company capabilities and contacts. The team has been further strengthened by strong ongoing recruitment.

Weekly management reviews with the Company 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 Company 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.

# Omar Group Investments Limited

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

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



**D G Chilton**  
Director

# Omar Group Investments Limited

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

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The directors present their report together with 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.

### Results and dividends

The loss for the year, after taxation, amounted to £3,291,061 (2021 - £3,261,147).

### Directors

The directors who served during the year were:

D A Westmoreland  
R C Greenacre  
D R Wardrop  
D G Chilton  
G R Craig

### Financial instruments

The Company'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 Company seeks to limit the adverse effect of. The directors set risk management policies which are implemented by the management team.

Apart from as explained below, the Company does not actively use financial instruments as part of its financial risk management. Its policy is to finance working capital through retained earnings and to finance subsidiary acquisitions and Company and Group working capital requirements through loans from banks and other lenders (being the shareholders).

### Credit risk

Credit risk is the risk of financial loss to the Company if a debtor or counterparty to a financial instrument fails to meet its contractual obligations. The Company has balances owed to it which include amounts owed by Group Companies. The Company is exposed to the usual credit risk and cash flow risk associated with having debtors and 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, financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted. All of the cash balances are held with HSBC UK Bank plc.

# **Omar Group Investments Limited**

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

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### **Financial instruments (continued)**

#### **Liquidity & cash flow risk**

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

The Board reviews rolling 12-month cash flow projections of the Company and the Group of which it is part of, on a monthly basis as well as information regarding cash balances. Additionally, management reviews a rolling 13-week cash flow forecast at Group level on a weekly basis as a further control on working capital and cash. These reviews are done at a group level and monitored by the directors of the company. At the end of the financial period, these projections indicated that the company expected to have sufficient liquid resources to meet its obligations, subject to the matters explained within the going concern note below and note 1.4.

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

Market risk arises from the Company'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 Company 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).

*Intercompany loans falling due after one year are borrowings under fixed interest rates as explained in note 11.*

#### **Investment risk**

As the Company is a holding company its activities are mainly limited to its investment in subsidiaries and the holding of debt to fund the investments held. 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 and reviewing the results on the subsidiaries on a monthly basis.

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.

#### **Engagement with supplier, customers and others**

The company and its group are committed to establishing and maintaining sound business relationships with all stakeholders, including suppliers, customers and others. This involves regular, on going contact between operational management of the company and its subsidiaries, and the group. 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 within the trading subsidiaries.

# Omar Group Investments Limited

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

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### Going concern

The financial statements have been prepared on a going concern basis. As discussed in this report, in the Strategic Report and in more detail in note 1.4 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.

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 1.4 for further information.

### Subsequent events

In respect of the Loan Notes in issue as at the balance sheet date (which are held by an intermediate parent company, Omar Group Finance Ltd), 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, and interest is compounded every 12 months and added to the balance of the loan, to be repaid with the capital balance at the amended redemption date. As a result of this change, 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 17).

### Matters covered in the 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 Company, the principal risks and uncertainties and a review of the key performance indicators as assessed by the directors, in accordance with section 414C (11) of the Companies Act 2006.

This report was approved by the Board on 28th September 2022 and signed on its behalf.



**D G Chilton**  
Director

# Omar Group Investments 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 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 Company and of the profit or loss of the Company 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; and*
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 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 Investments Limited

## **Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited Financial Statements of Omar Group Investments Limited for the Year Ended 30 April 2022**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Omar Group Investments Limited for the year ended 30 April 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given us.

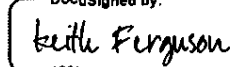
As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/regulation/a-z>.

It is your duty to ensure that Omar Group Investments Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Omar Group Investments Limited. You consider that Omar Group Investments Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Omar Group Investments Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

### **Use of our report**

This report is made solely to the board of directors of Omar Group Investments Limited, as a body, in accordance with the terms of our engagement letter dated 10 August 2022. Our work has been undertaken solely to prepare for your approval the accounts of Omar Group Investments Limited and state those matters that we have agreed to state to the board of directors of Omar Group Investments Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Omar Group Investments Limited and its board of directors as a body for our work or for this report.

DocuSigned by:  
  
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**BDO LLP**  
*Chartered Accountants*  
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 Investments Limited

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

	Note	2022 £	2021 £
Turnover	3	161,250	161,250
<b>Gross profit</b>		<u>161,250</u>	<u>161,250</u>
Administrative expenses		(209,663)	(194,547)
<b>Operating loss</b>		<u>(48,413)</u>	<u>(33,297)</u>
Interest payable and expenses	5	(3,242,648)	(3,227,850)
<b>Loss before and after taxation and total comprehensive loss on ordinary activities for the financial year</b>		<u><u>(3,291,061)</u></u>	<u><u>(3,261,147)</u></u>

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

The notes on pages 14 to 23 form part of these financial statements.

**Omar Group Investments Limited**  
Registered number: 10694909

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

	Note	2022 £	2022 £	2021 £	2021 £
<b>Fixed assets</b>					
Investments	7		55,517,466		55,517,466
<b>Current assets</b>					
Debtors: amounts falling due within one year	8	1,098,282		270,556	
Cash at bank and in hand		134,701		148,552	
		<u>1,232,983</u>		<u>419,108</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	9	(72,192,012)		(36,781,410)	
<b>Net current liabilities</b>			<u>(70,959,029)</u>		<u>(36,362,302)</u>
<b>Total assets less current liabilities</b>			<u>(15,441,563)</u>		<u>19,155,164</u>
Creditors: amounts falling due after more than one year	10		-		(31,305,666)
<b>Net liabilities</b>			<u><u>(15,441,563)</u></u>		<u><u>(12,150,502)</u></u>
<b>Capital and reserves</b>					
Called up share capital	12		1		1
Profit and loss account	13		(15,441,564)		(12,150,503)
<b>Shareholders' deficit</b>			<u><u>(15,441,563)</u></u>		<u><u>(12,150,502)</u></u>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records for the preparation of 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 14 to 23 form part of these financial statements.

## Omar Group Investments Limited

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

	Called up share capital	Profit and loss account	Total deficit
	£	£	£
At 1 May 2021	1	(12,150,503)	(12,150,502)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(3,291,061)	(3,291,061)
<b>Total comprehensive income for the year</b>	-	(3,291,061)	(3,291,061)
<b>At 30 April 2022</b>	<b>1</b>	<b>(15,441,564)</b>	<b>(15,441,563)</b>

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

	Called up share capital	Profit and loss account	Total deficit
	£	£	£
At 1 May 2020	1	(8,889,356)	(8,889,355)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(3,261,147)	(3,261,147)
<b>Total comprehensive income for the year</b>	-	(3,261,147)	(3,261,147)
<b>At 30 April 2021</b>	<b>1</b>	<b>(12,150,503)</b>	<b>(12,150,502)</b>

The notes on pages 14 to 23 form part of these financial statements.

# Omar Group Investments 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 Investments Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Contents page and the principal activity is set out in the directors' report. The financial statements contain information about the Company as an individual Company.

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 management to exercise judgement in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

#### 1.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Omar Group Holdings Limited as at 30 April 2022 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

#### 1.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

# Omar Group Investments Limited

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

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### 1. Accounting policies (continued)

#### 1.4 Going concern

The Company and Group of which the company is part of has bank loan and related bank borrowing facilities with HSBC UK Bank plc ("HSBC") and the Group also has Loan Note liabilities (owed primarily to the ultimate shareholders of the Group), which are held by the immediate parent company, Omar Group Finance Ltd). These borrowings are secured by a group guarantee and debenture with a fixed and floating charge over the assets of the Group, and the company is a Guarantor of those borrowings. Further details are explained within note 11 and 14.

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 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 HSBC bank 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.

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 17). 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 of the Company are prepared on a going concern basis. The financial statements do not include any adjustments which would result if the Company and Group was unable to continue as a going concern.

#### 1.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

As a holding company, turnover represents management fee income, exclusive of VAT, which is recognised in the period in which the services are performed.

#### 1.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

# Omar Group Investments Limited

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

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### 1. Accounting policies (continued)

#### 1.7 Financial instruments

The Company 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 and from related parties and investments in non-puttable ordinary shares.

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 Statement of Comprehensive Income.

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.

#### 1.8 Finance costs

Finance costs are charged to profit or loss 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.

#### 1.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

#### 1.10 Current and deferred taxation

Tax is recognised in profit or loss 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 in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

# Omar Group Investments 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 debtors are recoverable. 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 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.
- Determine whether there are indicators of impairment of the Company's fixed assets investments. 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.
- In relation to the cost of investment in subsidiary companies, the directors have performed an impairment review at 30 April 2022 using a discounted cash flow. 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 13% to a five year cash flow and including a terminal value (with a terminal value growth rate of 3% being applied). Following this review the directors have concluded that there is no impairment arising in relation to the cost of investment in subsidiary companies.
- For amounts owed to group undertakings due after one year ('other loans'), which may constitute financing transactions, the directors evaluate whether the interest rate at inception on these borrowings is at a market rate of interest for a similar debt instrument. Hence judgements are made in relation to the inception of the loans, and the interest rate on these liabilities of 12%, was judged to be the same as a market rate of interest for a similar debt instrument, at the date of inception.

Other key sources of estimation uncertainty:

- Investments

The most critical estimates, assumptions and judgements relate to the determination of whether or not there is any impairment of the cost of investments in subsidiary undertakings.

- Financial Instruments

For financial liabilities which are basic financial instruments, management make assessment of what the market rate of interest for a similar debt instrument would be at inception. Management assessment is that the interest rates in place on these loans are at market rate.

### 3. Analysis of turnover

All turnover arose within the United Kingdom.

### 4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £Nil).

# Omar Group Investments Limited

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

### 5. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	776,568	1,026,410
Loans from group undertakings	2,466,080	2,201,440
	<u>3,242,648</u>	<u>3,227,850</u>

### 6. Taxation

	2022 £	2021 £
Current tax on profits for the year	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>

#### 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	<u>(3,291,061)</u>	<u>(3,261,147)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(625,302)	(619,618)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	85,009	1,919
Group relief	555,652	440,741
Transfer pricing adjustments	(15,359)	176,958
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

#### Factors that may affect future tax charges

Increase in the UK Corporation tax rate from 19% to 25% (effective from 1 April 2023) has been substantively enacted by 30 April 2022. This will impact the company's future tax charge accordingly.

# Omar Group Investments Limited

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

### 7. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 May 2021	55,517,466
At 30 April 2022	<u>55,517,466</u>

### Subsidiary undertakings

The followings were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Omar Group Limited	Ordinary	100%	Holding company
Omar Park Homes Limited*	Ordinary	100%	Design, manufacture and sales of park homes
UK Sundecks Limited	Ordinary	100%	Supply and installation of upvc decking and fencing
Regal Leisure Homes Limited	Ordinary	100%	Dormant

\* subsidiary indirectly held

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

### 8. Debtors: amounts falling due within one year

	2022 £	2021 £
Amounts owed by group undertakings	994,906	239,814
Other debtors	103,376	30,742
	<u>1,098,282</u>	<u>270,556</u>

# Omar Group Investments Limited

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

### 9. Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	10,755,000	3,868,148
Amounts owed to group undertakings	61,389,974	32,791,029
Other taxation and social security	-	457
Accruals and deferred income	47,038	121,776
	<u>72,192,012</u>	<u>36,781,410</u>

Amounts owed to group undertakings due within one year include Loan Notes which are repayable in full in April 2023. 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 April 2023. At year end, the amount outstanding was a capital balance of £22,143,152 (2021 - £19,770,672 capital balance in amounts owed to group undertakings due greater than one year) and accrued interest of £873,593 (2021 - £779,994 accrued interest in amounts owed to group undertakings due greater than one year). Other amounts included within amounts owed to group undertakings due within one year relate to amounts falling due on demand with other group companies.

Bank loans are secured by a fixed and floating charge over the assets of the Company and the Group. Amounts owed to group undertakings are other loans (Loan Notes) which are secured by a fixed and floating charge over the assets of the Company and the Group.

### 10. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans	-	10,755,000
Amounts owed to group undertakings	-	20,550,666
	<u>-</u>	<u>31,305,666</u>

Bank loans are secured by a fixed and floating charge over the assets of the Company and the Group. Amounts owed to group undertakings are other loans (Loan Notes) which are secured by a fixed and floating charge over the assets of the Company and the Group.

# Omar Group Investments Limited

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

### 11. Loans

Analysis of the maturity of loans is given below:

	2022 £	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
	<u>10,755,000</u>	<u>14,623,148</u>

Bank loans comprise of:

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.

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.

### 12. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1.00	<u>1</u>	<u>1</u>

The 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.

# Omar Group Investments Limited

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

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### 13. Reserves

The Company's reserves are as follows:

#### **Called up share capital**

This reserve represents the nominal value of shares issued.

#### **Profit and loss account**

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

### 14. Other financial commitments

The Company is part of the Omar Group Holdings Limited group. 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 are held by other group companies, which has been guaranteed totalled £43,981,578 (2021 - £39,416,083).

The Company is part of the Omar Group Holdings Limited group. 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 which at the year end were held by the Company. At 30 April 2022 the outstanding liabilities which at the year end were held by the Company, which have been guaranteed totalled £10,755,000 (2021 - £14,800,000).

### 15. Related party transactions

During the year a monitoring fee of £150,000 (2021 - £150,000) was charged by Rutland Partners LLP, which is connected to the ultimate controlling party, Rutland Fund III Limited Partnership.

The Company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent Company or any wholly owned subsidiary undertaking of the group.

### 16. Controlling party

The immediate parent company is Omar Group Finance Limited. The ultimate parent undertaking is Omar Group Holdings Limited.

The smallest and largest group into which the results of the Company for the 30 April 2022 year end are consolidated is the group headed by Omar Group Holdings Limited, which is registered in England and Wales and has a registered office address of Pleszko House, 227 London Road, Brandon, Suffolk, IP27 0NE. Copies of the consolidated accounts of Omar Group Holdings Limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

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

# **Omar Group Investments Limited**

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

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### **17. Subsequent events**

In respect of the Group of which the Company is a subsidiary in, regarding Loan Notes in issue as at the balance sheet date (which were issued by an intermediate parent company, Omar Group Finance Ltd), 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 by Omar Group Finance Ltd, 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, 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 will be required to be made by the Group, of which the Company is a subsidiary in, relating to the Loan Notes during the 12-month period following the signing of these accounts.