

**Omar Group Holdings Limited**

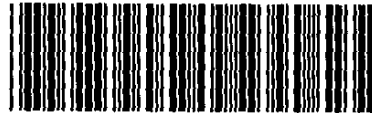
Annual Report and Financial Statements

Year Ended

30 April 2023

Company Number 10694240

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# 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 <i>D G Chilton</i> G R Craig
<b>Registered number</b>	10694240
<b>Registered office</b>	227 London Road Brandon Suffolk IP27 0NE
<b>Independent auditor</b>	BDO LLP First Floor Franciscan House 51 Princes Street Ipswich Suffolk IP1 1UR

# **Omar Group Holdings Limited**

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# Omar Group Holdings Limited

## Group Strategic Report For the Year Ended 30 April 2023

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### Introduction

The Directors present their Strategic Report and the financial statements for the year ended 30 April 2023.

### Business review

These financial statements consolidate the results of Omar Group Holdings Limited and all 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 caravan holiday homes 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 30 April 2023 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.

The Group posted strong results, as customer demand for our products remained robust particularly through the first half of the year. Driven by strong domestic holiday demand and activity in the housing market; we were able to avail these opportunities by unlocking the incremental capacity we had built due to the continued investment in our core business, notably our third production line in Hull, an active recruitment plan which looked at shift patterns and apprenticeships and the full year effect of operations (versus 9 months in the prior year) through Regal Leisure Homes. Our operations and procurement teams worked effectively, delivering solid on-time delivery and mitigated significant inflationary pressures.

The second half of the year was impacted by customer and consumer caution given the general economic slowdown, due to ongoing household inflation primarily through energy and food. This was further impacted by unexpected budget action in September 2022, which triggered rising interest rates affecting mortgage availability and affordability.

On 11 May 2023, Royale Parks Limited, who have historically been one of the Group's largest customers, went into administration. Subsequently, various other affiliated entities within the RoyaleLife group have also fallen into administration, with little prospect of continued trading or dividend for unsecured creditors. As a consequence, we have, within the accounts for the year ended 30 April 2023, provided for the potential loss of £2M in respect of the total trading balances owed by Royale companies to Omar Park Homes Limited and UK Sundecks Limited as at 30 April 2023. Formal claims have been lodged with the administrators and, where appropriate, reservation of Title to the goods supplied has been expressed; however, the administrations are complex and will take some considerable time to resolve, therefore, in the meantime the Group has prudently taken the full value of the potential adverse impact.

Turnover was up 37% in the year to £92.7M (2022 as restated - £67.7M), and EBITDA was £10.3M (2022 as restated - £6.5M), representing a return on sales (being EBITDA as a percentage of turnover) of 11.2% (2022 as restated - 9.6%).

Our cash balance at the year-end was £15M (2022: £11.1M), with net operating cash generation of £5.8M (2022 - £11.4M), comfortably 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.

# Omar Group Holdings Limited

## Group Strategic Report (continued) For the Year Ended 30 April 2023

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### 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.

### Future developments and strategy

Our core strategy remains to be the leading solutions provider to Park Home and Holiday Parks in the UK, manufacturing quality Park Homes, Lodges, Caravan Holiday Homes, augmented by decking and refurbishment services, and supported by Omar Park Development Services (OPDS) working with new or development opportunities.

Inflation has and will continue to impact our business, not only from the rise in materials, energy, and labour costs, but also due to the significant constraint on consumer discretionary spending. We will continue to make operational investment improvements and innovate our product range to navigate this, while investing in sustainable energy, infrastructure, and supply chain partnerships to mitigate rising costs and further improve our environmental, social and corporate governance (ESG) agenda, and maintaining an agile and flexible team ready to meet changing market demands and challenges.

The housing market remains our key source of funding for our products, either last time purchase or equity release for holiday home ownership. Rising mortgage costs have manifested in uncertainty and affordability questions, resulting in the slowdown of the housing market. Engagement with a more diverse customer base and working on long lead developments through OPDS will ensure we continue to generate opportunities as they arise.

Retention and, where necessary, recruitment, of highly capable staff remain key as we build the capability of our team for the future. We will continue to invest in our people by enhancing our employment packages, engaging in training and development and more flexible working to attract future talent into our team.

Having four sites geographically located across the country, provides us footprint to provide a hub strategy, not only to support product sales, but improve our customer service and engagement, reaching over 85% of our customers within a 3-hour radius, supporting all our group businesses.

New product development continues to ensure our portfolio remains market leading in the short to medium term. Regal has had a very strong first full year, exceeding our expectations, and we will build on this by refreshing the Charmouth and Artisan, and launching two new products to replace the initial range in the Retreat and Cranleigh. In Park Homes we refreshed the Regency and Middleton and relaunched the Image and Ikon. Our Lodge range saw the Woodbury Letting Lodges relaunched, and a new model in the Heron, while our decking business introduced a new leisure deck specifically for the caravan holiday home market. All these developments have been met with customer support and the Board are confident that they will contribute growth to our strategy going forward and underpin our desire to be market leaders.

# Omar Group Holdings Limited

## Group Strategic Report (continued) For the Year Ended 30 April 2023

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### 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 – Persistently high inflation and rising interest rates foster economic uncertainty and dampen demand.

Achievement/Action – We continue to cultivate strong relationships with our customers to understand and adapt to their needs in terms of product features and benefits, pricing, terms of supply and customer support.

#### 2) Risk – Supply chain

Description – Shortened production lead times have impacted materials and component availability to align with our production cycle.

Achievement/Action – Maintaining close working relationships with our supplier-base and providing as much forward visibility of expected requirements continues to provide us with best availability and pricing for the business. Where necessary we have invested in additional inventory to ensure continuity of supply. The broadening of the Group to include Regal has added volume to purchases which has served to support supplier negotiations regarding, price, quality, range and availability.

#### 3) 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.

#### 4) Risk – Availability and retention of highly capable staff

Description – Delivering high quality product, customer service and a positively differentiated customer experience is dependent on having the right team in place.

Achievement/Action – We have previously extended the number and scope of our apprentice scheme and increased our focus on recruiting women and accommodating more flexible working arrangements which has seen an increase in both female members of staff and staff working a part-time schedule. We have improved our maternity and paternity benefits and holiday allowance and introduced an Employee Assistance Programme to provide support to all staff and their families on mental health, financial, legal and family issues.

#### 5) Risk – Credit, liquidity, and cash flow

Description – Given the economic climate, there is a generally heightened risk of customer credit default and customers are naturally seeking to extend terms, while suppliers look to reduce the terms offered and taken, as a result, cash flow/liquidity can be challenged.

Achievement/Action – Engaging closely with both customers and suppliers, we endeavour to maintain forward visibility of cash flows thereby allowing the business to take remedial action in advance of potential liquidity issues. This has included the negotiation in April 2023, and in October 2023, to extend our facilities agreement with HSBC in order to maintain high levels of liquidity within the Group required to ease operations through the current economic turbulence.

# **Omar Group Holdings Limited**

## **Group Strategic Report (continued) For the Year Ended 30 April 2023**

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### **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 improvements and 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 and Decisions – Amendment to Senior Facilities Agreement (banking facilities agreement)**

**Key s172 matter(s) affected – Lender, Shareholders**

**Action and Impact –** Decision to engage with HSBC UK Bank plc to negotiate an amendment to our banking agreement with them to ensure that the Group maintains comfortable levels of liquidity in the face of ongoing market uncertainty.

The bank was (and remains) very supportive, understanding our predicament and agreeing to formal amendments, dated 17 April 2023 and 30 October 2023, which provide us the breathing space and liquidity to ride out the current economic headwind.

#### **2) Significant Events and Decisions - The Board agreed to invest in adding a third production line at our Hull facility.**

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

**Action and Impact –** Adding this third production line added 50% to our facility capacity as well as giving us the ability to push slower-to-build more complex homes and lodges through our Hull facility while maintaining the line speed on lines one and two. The major works were, the erection of an overhead crane, additional work benches, working-at-height gantries as well as recruitment of additional team members including a new Factory Manager working under our Hull Director of Production.

# **Omar Group Holdings Limited**

## **Group Strategic Report (continued) For the Year Ended 30 April 2023**

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

3) *Significant Events and Decisions* – The business has begun a program of investment to further improve our cyber security, network capability and business systems.

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

Action and Impact – The business has recruited a Head of IT to lead and support our IT team, We have added multi-factor authentication to all systems, installed a new EH&S System, commenced an major replacement programme of our entire network architecture as we transition from server-based systems (with back up and fail over) to cloud-based systems and storage.

This report was approved by the Board on 5 December 2023 and signed on its behalf.



**D G Chilton**  
Director

# Omar Group Holdings Limited

## Directors' Report For the Year Ended 30 April 2023

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The Directors present their report and the financial statements for the year ended 30 April 2023.

### 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 caravan holiday homes 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 £684,018 (2022 - loss of £4,236,627).

### 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 13 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 2023

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### **Credit risk (continued)**

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.

### **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 monthly 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 17.

### **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.

# Omar Group Holdings Limited

## Directors' Report (continued) For the Year Ended 30 April 2023

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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 note 1.3 to the financial statements, economic uncertainty resulting from high inflation, increasing interest rates and the cost-of-living crisis continues to suppress demand for our products. Similarly, *the administration of the Royale group, who have historically been one of the Group's largest customers, has and will continue to constrain demand for our product on the parks affected at least until day-to-day management and long-term ownership of those parks is resolved through administration.* Since the balance sheet date on 30 April 2023, the Group has undertaken an exercise to re-size the business appropriately to the current levels of demand (refer to the subsequent events note below) and has revised its forward projections accordingly.

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 29 June 2023, the Loan Note redemption date for all outstanding Loan Notes was formally extended to 30 September 2025 (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 29 June 2023 the majority of the Loan Note holders extended, by way of Loan Note amendment and restatement deeds, the redemption dates of these instruments to 30 September 2025. 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 17), 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 30).

On 11 May 2023, Royale Parks Limited which is a customer of the business went into administration, followed by *various other entities within the RoyaleLife group of companies which are affiliated by direct and indirect common ownership.* This exposed the Group to potentially doubtful debts amounting to £2M at the balance sheet date, which have been provided for within the accounts to the 30 April 2023. Further, this severely constrains the ongoing trading activities of a significant number of residential and leisure parks across the country which were owned and managed by Royale. As a consequence of this, overstocking within the park home, lodge and, particularly, caravan holiday home markets and ongoing economic uncertainty, the outlook for sales in the coming year (FY24) to 30 April 2024 has been significantly reduced compared to the Group's original budget and prior year performance. Despite this disappointing downturn, with cost reduction initiatives taken and planned, the Group anticipates generating positive EBITDA returns through FY24 in the high single digits.

Since the balance sheet date, the business has engaged in collective and individual consultations with a view to making 286 roles redundant across all 4 sites (Brandon (Suffolk), Hull, Three-Legged Cross (Dorset) and Lye (West Midlands)). These processes are now complete and a total of 307 staff have left the business, 237 of those by way of redundancy.

In view of the current market dynamics, our restructuring and revised projections for FY24, the Group has negotiated an amendment and extension to our senior facilities agreement with HSBC which was fully executed on 30 October 2023. This amendment sees the senior term loan extended by 12 months to April 2025, with smaller instalments repayable at 6-monthly intervals and slightly modified covenants, which will ensure that the Group maintains good levels of liquidity and headroom against our covenants throughout the remainder of the term.

# **Omar Group Holdings Limited**

## **Directors' Report (continued) For the Year Ended 30 April 2023**

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### **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 continues to be evident and continues to be crucial to our ability to operate effectively through the ongoing economic disruption.

### **Energy and Carbon Report**

Sharply increased energy prices have added focus to the Group's commitment 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 provides another strand to our continuous improvement ethos.

For the year to 30 April 2023 the Group recorded the following energy and carbon information, using consumption information sourced from suppliers and conversion factors taken from UK Government GHG conversion factors for company reporting (version 1.1 2023).

Total UK energy use (that is, energy consumed from the combustion of gas, fuel for the purposes of transport and energy consumption resulting from the purchase of electricity) was 8,816,301 kWh (2022: 8,024,740 kWh).

Total carbon emissions from total UK energy use were 1,798 TCO<sub>2</sub>e (2022: 1,646 TCO<sub>2</sub>e), of which;

- Carbon emissions from the combustion/consumption of fuel for transport purposes were 460 TCO<sub>2</sub>e (2022: 403 TCO<sub>2</sub>e)
- Carbon emissions from the purchase of electricity were 474 TCO<sub>2</sub>e (2022: 476 TCO<sub>2</sub>e).

Total carbon emission intensity ratios were 0.019 TCO<sub>2</sub>e per £1,000 of Turnover (2022: 0.024 TCO<sub>2</sub>e per £1,000 of Turnover); and 2.6 TCO<sub>2</sub>e per employee (2022: 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 Suffolk, Hull and Dorset sites, is the Group's primary consumer of energy and we are evaluating projects to install biomass boilers as 'greener' alternatives at all 3 sites, starting with Brandon.

### **Employee involvement**

The Group has three Employee Consultative Groups, one for Brandon, one for Hull, one for Three-Legged Cross 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.

# **Omar Group Holdings Limited**

## **Directors' Report (continued) For the Year Ended 30 April 2023**

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### **Disabled employees**

The Group is committed to a policy of recruitment and promotion based on 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.

### **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 5 December 2023 and signed on its behalf.



**D G Chilton**  
Director

# **Omar Group Holdings Limited**

## **Directors' Responsibilities Statement For the Year Ended 30 April 2023**

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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 2023 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 2023 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.

# **Omar Group Holdings Limited**

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

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### **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.

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.

# **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**

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.

### **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:

#### **Non-compliance with laws and regulations**

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be Financial Reporting Standard 102 and Companies Act 2006.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety and tax legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Involvement of tax specialists in the audit;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

#### **Fraud**

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the 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)

Based on our risk assessment, we considered the areas most susceptible to fraud to be fraud in revenue recognition, posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Substantive audit procedures testing revenue recognition, including revenue cut-off;
- Assessing significant estimates made by management for bias.

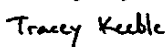
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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.

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

Date: 05 December 2023

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 2023

	Note	2023 £	As restated 2022 £
Turnover	3	92,726,433	67,728,784
Cost of sales		(73,928,861)	(54,562,957)
<b>Gross profit</b>		<b>18,797,572</b>	<b>13,165,827</b>
Selling and distribution costs		(1,495,338)	(1,208,995)
Administrative expenses		(10,849,333)	(9,168,737)
<b>Operating profit</b>	4	<b>6,452,901</b>	<b>2,788,095</b>
Interest payable and similar expenses	7	(6,029,007)	(5,347,048)
<b>Profit/(loss) before taxation</b>		<b>423,894</b>	<b>(2,558,953)</b>
Taxation on profit/(loss)	8	(1,107,912)	(1,677,674)
<b>Loss and total comprehensive income on ordinary activities for the financial year</b>		<b>(684,018)</b>	<b>(4,236,627)</b>
<b>Loss for the year attributable to:</b>			
Owners of the Parent Company		(684,018)	(4,236,627)

There was no other comprehensive income for 2023 (2022 - £Nil).

The notes on pages 22 to 49 form part of these financial statements.

Non-statutory reconciliation of profit/(loss) for the year to earnings before interest, tax, depreciation, amortisation and impairment ("EBITDA") for the year ended 30 April 2023.

	2023 £	As restated 2022 £
Loss for the year attributable to owners of the Parent Company	(684,018)	(4,236,627)
Depreciation	665,511	478,737
Amortisation	3,221,853	3,219,328
Interest payable and similar expenses	6,029,007	5,347,048
Tax	1,107,912	1,677,674
<b>EBITDA</b>	<b>10,340,265</b>	<b>6,486,160</b>

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

**Consolidated Statement of Financial Position**  
**As at 30 April 2023**

	Note	2023 £	2023 £	As restated 2022 £	As restated 2022 £
<b>Fixed assets</b>					
Intangible assets	9		20,647,434		23,869,287
Tangible assets	10		2,023,142		1,664,733
			<u>22,670,576</u>		<u>25,534,020</u>
<b>Current assets</b>					
Stocks	12	14,232,317		11,410,860	
Debtors: amounts falling due within one year	13	13,666,043		11,400,079	
Cash at bank and in hand		15,000,237		11,091,083	
		<u>42,898,597</u>		<u>33,902,022</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(32,332,071)		(30,198,360)	
<b>Net current assets</b>			<u>10,566,526</u>		<u>3,703,662</u>
<b>Total assets less current liabilities</b>			<u>33,237,102</u>		<u>29,237,682</u>
Creditors: amounts falling due after more than one year	16		(49,083,422)		(43,981,578)
<b>Provisions for liabilities</b>					
Deferred taxation	19	(5,068,783)		(5,707,189)	
Other provisions	20	(2,132,370)		(1,912,370)	
			<u>(7,201,153)</u>		<u>(7,619,559)</u>
<b>Net liabilities</b>			<u>(23,047,473)</u>		<u>(22,363,455)</u>
<b>Capital and reserves</b>					
Called up share capital	21		105,605		105,605
Share premium account	22		984,895		984,895
Profit and loss account	22		(24,137,973)		(23,453,955)
<b>Equity attributable to owners of the Parent Company</b>			<u>(23,047,473)</u>		<u>(22,363,455)</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 5 December 2023.



**D G Chilton**  
Director

The notes on pages 22 to 49 form part of these financial statements.

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

**Company Statement of Financial Position**  
**As at 30 April 2023**

	Note	2023 £	2023 £	2022 £	2022 £
<b>Fixed assets</b>					
Investments	11		1		1
			<u>1</u>		<u>1</u>
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	13	895,520	-		
Debtors: amounts falling due within one year	13	512,999	1,312,570		
		<u>1,408,519</u>	<u>1,312,570</u>		
<b>Current liabilities</b>					
Creditors: Amounts Falling Due Within One Year	15	(893,741)	(719,816)		
<b>Net current assets</b>			<u>514,778</u>		<u>592,754</u>
<b>Total assets less current liabilities</b>			<u>514,779</u>		<u>592,755</u>
<b>Net assets</b>			<u><u>514,779</u></u>		<u><u>592,755</u></u>
<b>Capital and reserves</b>					
Called up share capital	21	105,605		105,605	
Share premium account	22	984,895		984,895	
Profit and loss account brought forward		(497,745)		263,403	
Loss for the year		(77,976)		(761,148)	
Profit and loss account carried forward			(575,721)		(497,745)
			<u>514,779</u>		<u>592,755</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 5 December 2023.



**D G Chilton**  
Director

The notes on pages 22 to 49 form part of these financial statements.

## Omar Group Holdings Limited

### Consolidated Statement of Changes in Equity For the Year Ended 30 April 2023

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2022 (as previously stated)	105,605	984,895	(21,647,611)	(20,557,111)
Prior year adjustment (see note 23)	-	-	(1,806,344)	(1,806,344)
At 1 May 2022 (as restated)	105,605	984,895	(23,453,955)	(22,363,455)
<b>Comprehensive expense for the year</b>				
Loss for the year	-	-	(684,018)	(684,018)
<b>Total comprehensive expense for the year</b>	-	-	(684,018)	(684,018)
<b>Contributions by and distributions to owners</b>				
<b>Total transactions with owners</b>	-	-	-	-
<b>At 30 April 2023</b>	105,605	984,895	(24,137,973)	(23,047,473)

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

	Called up share capital	Share premium account	As restated Profit and loss account	As restated Total equity
	£	£	£	£
At 1 May 2021	105,605	984,895	(18,833,933)	(17,743,433)
Prior year adjustment (see note 23)	-	-	(383,395)	(383,395)
At 1 May 2021 (as restated)	105,605	984,895	(19,217,328)	(18,126,828)
<b>Comprehensive expense for the year</b>				
Loss for the year (as restated)	-	-	(4,236,627)	(4,236,627)
<b>Total comprehensive expense for the year (as restated)</b>	-	-	(4,236,627)	(4,236,627)
<b>Total transactions with owners</b>	-	-	-	-
<b>At 30 April (as restated)</b>	105,605	984,895	(23,453,955)	(22,363,455)

The notes on pages 22 to 49 form part of these financial statements.

# Omar Group Holdings Limited

## Company Statement of Changes in Equity For the Year Ended 30 April 2023

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2022	105,605	984,895	(497,745)	592,755
<b>Comprehensive expense for the year</b>				
Loss for the year	-	-	(77,976)	(77,976)
<b>Total comprehensive expense for the year</b>	-	-	(77,976)	(77,976)
<b>At 30 April 2023</b>	<b>105,605</b>	<b>984,895</b>	<b>(575,721)</b>	<b>514,779</b>

## 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 expense for the year</b>				
Loss for the year	-	-	(761,148)	(761,148)
<b>Total comprehensive expense for the year</b>	-	-	(761,148)	(761,148)
<b>At 30 April 2022</b>	<b>105,605</b>	<b>984,895</b>	<b>(497,745)</b>	<b>592,755</b>

The notes on pages 22 to 49 form part of these financial statements.

# Omar Group Holdings Limited

## Consolidated Statement of Cash Flows For the Year Ended 30 April 2023

	2023 £	As restated 2022 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(684,018)	(4,236,627)
<b>Adjustments for:</b>		
Amortisation of intangible assets	3,221,852	3,219,328
Depreciation of tangible assets	665,511	478,737
Loss on disposal of tangible assets	(20,333)	-
Interest payable	6,029,007	5,347,048
Taxation charge	1,107,912	1,677,674
Increase in stocks	(2,821,457)	(5,518,192)
Increase in debtors	(2,307,205)	(204,266)
Increase in creditors	2,133,711	11,294,763
Increase in provisions	220,000	110,279
Corporation tax paid	(1,705,076)	(720,000)
<b>Net cash generated from operating activities</b>	<b>5,839,904</b>	<b>11,448,744</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,023,920)	(1,222,001)
Purchase of intangible fixed assets	-	(30,300)
Sale of tangible fixed assets	20,333	-
<b>Net cash used in investing activities</b>	<b>(1,003,587)</b>	<b>(1,252,301)</b>
<b>Cash flows from financing activities</b>		
Repayment of bank loans	-	(4,045,000)
Interest paid on other loans	(191,217)	(4,985)
Interest paid on bank loans	(735,946)	(599,716)
<b>Net cash used in financing activities</b>	<b>(927,163)</b>	<b>(4,649,701)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,909,154</b>	<b>5,546,742</b>
Cash and cash equivalents at beginning of year	11,091,083	5,544,341
<b>Cash and cash equivalents at the end of year</b>	<b>15,000,237</b>	<b>11,091,083</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	15,000,237	11,091,083

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

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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 Consolidated 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 2023

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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 notes 15, 16, 17 and 26.

The directors have prepared updated financial forecasts covering a period of at least 12 months from the date of approval of these financial statements to reflect current views on economic conditions and the outlook for its businesses, these forecasts indicate that the Group will have sufficient funds to meet its liabilities as they fall due throughout the forecast period.

HSBC has been, and remains, consistently supportive of the Group, agreeing to amend and extend the Group's banking arrangements on 17 April 2023, and more recently in October 2023, in order that the Group retain comfortable levels of liquidity to meet the current economic challenges. The Group has complied with its financial covenants 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 18 April 2025. 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 50%. 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 £10,566,526 (2022 as restated - £3,703,662) and net liabilities of £23,047,473 (2022 as restated - £22,363,455). 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 2025.

The majority Loan Note holders are also shareholders of the Group. They continue to give their full support to the Group and on 29 June 2023, they formally extended the Loan Note redemption date for all outstanding Loan Notes to 30 September 2025 (refer to note 30). 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, 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. The financial statements do not include any adjustments which would result if the Company and Group was unable to continue as a going concern.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

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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.

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 2023

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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 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.

#### 1.9 Borrowing costs

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

#### 1.10 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 (2022 - £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.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

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### 1. Accounting policies (continued)

#### 1.11 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.

#### 1.12 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.

#### 1.13 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 (although that goodwill at year end is carried at £Nil after past impairment), and 7 years in respect of the acquisition of UK Sundecks Limited in October 2018.

##### 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).

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

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### 1. Accounting policies (continued)

#### 1.13 Intangible assets (continued)

##### 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 2023 of all of the above intangible assets, and concluded they remain appropriate.

At 30 April 2023 the remaining amortisation period of the intangible assets is shown below:

Customer Relationships	-	7 years
Omar Brand Name	-	14 years
Order backlog	-	fully amortised
Intellectual property rights	-	3.5 years
Omar Group Ltd Goodwill	-	fully amortised/impaired
UK Sundecks Ltd Goodwill	-	2.5 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
Intellectual property rights	-	5	years - straight line
Omar Group Ltd Goodwill	-	20	years - straight line
UK Sundecks Ltd Goodwill	-	7	years - straight line

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

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### 1. Accounting policies (continued)

#### 1.14 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.

#### 1.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 1.16 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 2023

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### 1. Accounting policies (continued)

#### 1.17 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.

#### 1.18 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 2023

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### 1. Accounting policies (continued)

#### 1.18 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.

#### 1.19 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.

#### 1.20 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.

#### 1.21 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 2023

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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 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.
- Group - For financial liabilities due after one year shown within note 16 (and note 17), being of the loans, which are Loan Notes from shareholders and management, they 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 loan notes were refinanced in the year, and the Directors deemed that the interest rate on these liabilities, which is set at 7% and 12%, as explained within note 17, is the same as a market rate of interest for a similar debt instrument at the date of their inception.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

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

- 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 useful 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.

Other key sources of estimation uncertainty:

Tangible fixed assets (see note 10)

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 20)

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 9)

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 12.5% 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 £89,858,345 (2022 as restated - £64,382,108) is attributable to the design, manufacture sale and refurbishment of park homes, lodges, caravans and holiday homes, and related activities, and turnover of £2,868,088 (2022 - £3,346,676) to the installation and supply of UPVC decking and fencing.

All turnover arose within the United Kingdom.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

### 4. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	665,511	478,737
Amortisation of intangible assets, including goodwill	3,221,853	3,219,328
Fees payable to the Group's auditor for the audit of the Company's annual financial statements	34,910	25,500
Fees payable to the Group's auditors for other services to the Group:		
- the audit of the Group's subsidiaries pursuant to legislation	61,250	44,550
- other non-audit services	17,970	16,520
Operating lease rentals	1,725,547	1,471,730
Defined contribution pension cost	567,331	492,774
	<u>567,331</u>	<u>492,774</u>

Administrative expenses include an impairment charge in respect of bad and doubtful debts of £1,938,074 (2022 - impairment reversal/credit of £244,819).

### 5. Employees

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

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	22,810,319	18,703,371	-	-
Social security costs	2,249,153	1,757,259	-	-
Cost of defined contribution scheme	567,331	492,774	-	-
	<u>25,626,803</u>	<u>20,953,404</u>	<u>-</u>	<u>-</u>

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

	2023 No.	2022 No.
Manufacturing and production	609	506
Directors and administration	100	87
	<u>709</u>	<u>593</u>

The Company had no employees other than directors in either year.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

### 6. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	763,154	929,659
Directors pension costs	6,200	55,641
	<u>769,354</u>	<u>985,300</u>

The highest paid Director received remuneration of £262,162 (2022 - £291,097).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £Nil (2022 - £35,627).

During the year retirement benefits were accruing to 2 (2022 - 3) Directors in respect of defined contribution pension schemes.

### 7. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	735,946	776,568
Other loan interest payable	5,101,844	4,570,480
Other interest payable	191,217	-
	<u>6,029,007</u>	<u>5,347,048</u>

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

### 8. Taxation

	2023 £	As restated 2022 £
<b>Corporation tax</b>		
Current tax on loss for the year	1,461,952	579,770
Adjustments in respect of previous periods	284,367	87,328
<b>Total current tax</b>	<b>1,746,319</b>	<b>667,098</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	20,190	242,168
Adjustments in respect of previous periods	(4,942)	(46,568)
Credited to Statement of Comprehensive Income - unwinding of deferred tax arising on intangible assets from business combinations	(653,655)	(653,654)
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>	<b>(638,407)</b>	<b>1,010,576</b>
<b>Taxation on profit/(loss) on ordinary activities</b>	<b>1,107,912</b>	<b>1,677,674</b>

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

### 8. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 19.49% (2022 - 19%). The differences are explained below:

	2023 £	As restated 2022 £
Profit/(loss) on ordinary activities before tax	<b>423,894</b>	(2,558,953)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.49% (2022 - 19%)	<b>82,840</b>	(486,204)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>664,413</b>	207,437
Capital allowances for year in excess of depreciation	<b>(5,326)</b>	(53,182)
Adjustments to tax charge in respect of prior periods	<b>284,370</b>	87,328
Adjustments to tax charge in respect of prior periods - deferred tax	<b>(4,941)</b>	(46,568)
Unwinding of deferred tax arising on intangible assets from business combinations	<b>(653,654)</b>	-
Remeasurement of deferred tax for changes in tax rates	<b>8,301</b>	1,364,449
Transfer pricing	<b>501,125</b>	452,705
Deferred tax not recognised	<b>230,784</b>	151,709
<b>Total tax charge for the year</b>	<b>1,107,912</b>	1,677,674

#### Factors that may affect future tax charges

At the year end the Group had unrecognised timing differences carried forward of £5,272,017 (2022 - £2,528,484). No related deferred tax asset at a tax rate of 25% (2022 - 25%) of £1,318,004 (2022 - £632,121) has been recognised as it is not foreseeable that these losses will be utilised and the asset recovered.

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% (2022 - 25%).

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

### 9. Intangible assets

#### Group

	Order backlog £	Intellectual property rights £	Brand £	Customer relationships £	Goodwill £	Total £
<b>Cost</b>						
At 1 May 2022	1,500,000	30,300	2,600,000	32,300,000	13,666,727	50,097,027
At 30 April 2023	1,500,000	30,300	2,600,000	32,300,000	13,666,727	50,097,027
<b>Amortisation</b>						
At 1 May 2022	1,500,000	3,535	654,274	12,507,328	11,562,603	26,227,740
Charge for the year	-	6,060	130,000	2,484,615	601,178	3,221,853
At 30 April 2023	1,500,000	9,595	784,274	14,991,943	12,163,781	29,449,593
<b>Net book value</b>						
At 30 April 2023	-	20,705	1,815,726	17,308,057	1,502,946	20,647,434
At 30 April 2022	-	26,765	1,945,726	19,792,672	2,104,124	23,869,287

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 2023

### 10. Tangible fixed assets

#### Group

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Office and computer equipment £	Total £
<b>Cost</b>					
At 1 May 2022	659,307	1,468,520	810,066	368,542	3,306,435
Additions	131,027	564,544	244,677	83,672	1,023,920
Disposals	-	(7,895)	(130,304)	(2,898)	(141,097)
At 30 April 2023	<u>790,334</u>	<u>2,025,169</u>	<u>924,439</u>	<u>449,316</u>	<u>4,189,258</u>
<b>Depreciation</b>					
At 1 May 2022	369,418	651,969	337,703	282,612	1,641,702
Charge for the year	118,758	310,419	183,297	53,037	665,511
Disposals	-	(7,895)	(130,304)	(2,898)	(141,097)
At 30 April 2023	<u>488,176</u>	<u>954,493</u>	<u>390,696</u>	<u>332,751</u>	<u>2,166,116</u>
<b>Net book value</b>					
At 30 April 2023	<u>302,158</u>	<u>1,070,676</u>	<u>533,743</u>	<u>116,565</u>	<u>2,023,142</u>
At 30 April 2022	<u>289,889</u>	<u>816,551</u>	<u>472,363</u>	<u>85,930</u>	<u>1,664,733</u>

The Company has no tangible fixed assets.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

### 11. Fixed asset investments

#### Company

	Investments in subsidiary companies £
Cost and net book value	
At 1 May 2022 and 30 April 2023	<u>1</u>

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Company registration number	Class of shares	Holding
Omar Group Finance Limited	10694645	Ordinary	100%
Omar Group Investments Limited*	10694909	Ordinary	100%
UK Sundecks Limited*	06559186	Ordinary	100%
Omar Group Limited*	07180479	Ordinary	100%
Omar Park Homes Limited*	06860361	Ordinary	100%
Regal Leisure Homes Limited*	12988167	Ordinary	100%

\*subsidiary indirectly held.

The registered office for all of the above named subsidiaries is 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. Their company registration number is shown in the table above.

### 12. Stocks

	Group 2023 £	Group As restated 2022 £
Raw materials and consumables	4,317,862	5,307,538
Work in progress	1,405,308	1,148,969
Finished goods and goods for resale	8,509,147	4,954,353
	<u>14,232,317</u>	<u>11,410,860</u>

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

### 13. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	895,520	-
	Group 2023 £	Group As restated 2022 £	Company 2023 £	Company As restated 2022 £
<b>Due within one year</b>				
Trade debtors	10,844,283	8,726,049	-	-
Amounts owed by group undertakings	-	-	512,999	1,312,570
Other debtors	937,312	995,271	-	-
Prepayments and accrued income	1,622,696	1,375,765	-	-
Corporation tax recoverable	261,752	302,994	-	-
	<b>13,666,043</b>	<b>11,400,079</b>	<b>512,999</b>	<b>1,312,570</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 charge of £1,938,074 (2022 - impairment reversal/credit of £244,819).

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.

For the Company, group debtors due after more than one year of £895,520 (2022 - £Nil) are Loan Notes which were expected to mature and be received in September 2024. Interest receivable accrues at 12% and is compounded after each interest period, and added to the balance of the Loan Note receivable, to be received with the capital balance at the redemption date.

### 14. Cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash at bank and in hand	<b>15,000,237</b>	11,091,083

The Company holds no cash.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

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

	Group 2023 £	Group As restated 2022 £	Company 2023 £	Company As restated 2022 £
Bank loans	10,755,000	10,755,000	-	-
Trade creditors	10,180,832	9,431,725	-	-
Amounts owed to group undertakings	-	-	893,741	719,816
Other taxation and social security	662,808	653,096	-	-
Other creditors	1,011,468	924,029	-	-
Accruals and deferred income	9,721,963	8,434,510	-	-
	<u>32,332,071</u>	<u>30,198,360</u>	<u>893,741</u>	<u>719,816</u>

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

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

	Group 2023 £	Group 2022 £
Other loans	47,278,683	42,366,670
Accrued interest on other loans	1,804,739	1,614,908
	<u>49,083,422</u>	<u>43,981,578</u>

Other loans (Loan Notes) and related accrued interest are secured by a fixed and floating charge over the assets of the Group (detailed further in note 26).

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

### 17. Loans

Analysis of the maturity of loans is given below:

	Group 2023 £	Group 2022 £
<b>Amounts falling due within one year</b>		
Bank loans	10,755,000	10,755,000
<b>Amounts falling due 1-2 years</b>		
Other loans	47,278,683	42,366,670
	<u>58,033,683</u>	<u>53,121,670</u>

Accrued interest on other loans of £1,804,739 (2022: £1,614,908) also falls due within 1 – 2 years.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

### 17. Loans (continued)

Bank loans are secured by a fixed and floating charge over the assets of the Company and the Group. The bank loan was repayable £5,000,000 in October 2023 and £5,755,000 in April 2024. The bank loan repayment schedule was amended after the year, refer to note 30. Interest is charged at Margin of 4.25% 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.

Other loans include £24,459,444 (2022 - £21,838,789) of A Loan Notes. Interest accrues at 12% and is compounded after each interest period, and added to the balance of the Loan Note, to be repaid with the capital balance at the redemption date. At 30 April 2023, the redemption date of the Loan Note instruments was 30 September 2024, or if earlier, the date upon which a sale or listing, or a disposal takes place (as defined in the Loan Note agreements). The redemption date of the Loan Notes was amended after the year end, refer to note 30. The A Loan Notes are secured by a group guarantee and debenture with a fixed and floating charge over the assets of the Company and Group. The A Loan Notes rank pari passu with the B Loan Notes, and both are subordinated to the Vendor Loan Notes.

Other loans include £19,138,706 (2022 - £17,088,130) of B Loan Notes. Interest accrues at 12% and is compounded after each interest period, and added to the balance of the Loan Note, to be repaid with the capital balance at the redemption date. At 30 April 2023, the redemption date of the Loan Note instruments was 30 September 2024, or if earlier, the date upon which a Sale or Listing, or a Disposal takes place (as defined in the Loan Note agreements). The redemption date of the Loan Notes was amended after the year end, refer to note 30. The B Loan Notes are secured by a group guarantee and debenture with a fixed and floating charge over the assets of the Company and Group. The B Loan Notes rank pari passu with the A Loan Notes, and both are subordinated to the Vendor Loan Notes.

Other loans include £3,680,533 (2022 - £3,439,751) of Vendor Loan Notes. Interest accrues at 7% and is compounded after each interest period, and added to the balance of the Loan Note, to be repaid with the capital balance at the redemption date. At 30 April 2023, the redemption date of the Loan Note instruments was 30 September 2024, or if earlier, the date upon which a Sale or Listing, or a Disposal takes place (as defined in the Loan Note agreements). The redemption date of the loan notes was amended after the year, refer to note 30. The Loan Notes are secured by a group guarantee and debenture with a fixed and floating charge over the assets of the Company and Group. The Series A Loan Notes and Series B Loan Notes are subordinated to the Vendor Loan Notes.

### 18. 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:

	Group 2023 £	Group 2022 £
<b>Interest expense</b>		
Total interest expense for financial liabilities at amortised cost	<u>6,029,007</u>	<u>5,347,048</u>

Impairment losses on financial assets measured at amortised cost in respect of trade debtors are disclosed within note 13.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

### 19. Deferred taxation

#### Group

	2023 £	2022 £
Liability at beginning of year	(5,707,189)	(4,696,613)
Credited/(Charged) to profit or loss, including changes in tax rates	(15,248)	(203,050)
Credited/(Charged) to Statement of Comprehensive Income - unwinding of deferred tax arising on intangible assets from business combinations, including changes in tax rates	653,654	(807,526)
<b>Liability at end of year</b>	<b>(5,068,783)</b>	<b>(5,707,189)</b>
	<b>Group 2023 £</b>	<b>Group 2022 £</b>
Fixed asset timing difference	(388,388)	(364,144)
Other short term timing difference	99,927	90,931
Deferred tax on difference between fair value and tax bases of intangible fixed assets	(4,780,322)	(5,433,976)
	<b>(5,068,783)</b>	<b>(5,707,189)</b>

The amount of the net reversal of deferred tax liabilities expected to occur in the year end 30 April 2024 is a reduction in the deferred tax liability of £511,053 (2022 - £363,726) 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% (2022 - 25%).

The Company has no deferred tax liability.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

### 20. Provisions

#### Group

	After sales warranty provision £
At 1 May 2022	1,912,370
Charged to profit or loss	2,072,000
Utilised in year	(1,852,000)
<b>At 30 April 2023</b>	<b>2,132,370</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.

### 21. Share capital

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
500,001 (2022 - 500,001) A Ordinary shares of £0.10 each	50,000	50,000
389,340 (2022 - 389,340) B1 Ordinary shares of £0.10 each	38,934	38,934
50,660 (2022 - 50,660) B2 Ordinary shares of £0.10 each	5,066	5,066
26,500 (2022 - 26,500) C1 Ordinary shares of £0.10 each	2,650	2,650
23,500 (2022 - 23,500) C2 Ordinary shares of £0.30 each	7,050	7,050
9,999 (2022 - 9,999) C3 Ordinary shares of £0.10 each	1,000	1,000
90,500 (2022 - 90,500) C4 Ordinary shares of £0.01 each	905	905
	<b>105,605</b>	<b>105,605</b>

Except as provided in the Company's articles of association, the A, B1, B2, C and C4 Ordinary shares rank pari passu, but they constitute separate classes of shares.

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 2023**

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### **22. 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.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

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### 23. Prior year adjustment

In respect of the subsidiary, Omar Park Homes Ltd, a prior period adjustment has been made to the consolidated results of the Group, as explained below. There is no adjustment or restatement to the numbers reported for the individual parent company, Omar Group Holdings Ltd.

A prior year adjustment has been made to restate the comparative period amounts for the year ended 30 April 2022 and to restate the opening balances as at 1 May 2021. This relates to revenue recognition for park homes, luxury lodges and premium caravan holiday homes sold on an Ex-Works basis, whereby the customer was responsible for collection of the goods from the Group's premises. The Group had previously regarded revenue as recognisable at the point that the goods were made available to the customer for collection. Forensic review of the Group's terms and conditions of sale ("T's & C's") and wording therein, including having sought legal advice, indicates that under the Company's T's & C's, revenue should only be recognised on these sales at the earlier of (1) receipt of payment for the goods, or (2) collection of the goods from the company's premises. The directors have concluded that under these circumstances revenue has previously been recognised too early in respect of those sales.

The amount of the correction for each financial statement line item affected the year ended 30 April 2022 is shown below:

#### Consolidated Statement of Comprehensive Income:

Reduction of Turnover	£5,491,604
Reduction of Cost of sales	£3,782,965
Reduction of Gross profit	£1,708,639
Reduction of Distribution costs	£17,660
Reduction of Operating profit and profit before tax	£1,690,979
Decrease of Tax on profit	£268,030
Increase in the Loss and total comprehensive expense on ordinary activities of	£1,422,949
Increase in the Loss attributable to owners of the parent company of	£1,422,949
Decrease of EBITDA of	£1,690,979

#### Consolidated Statement of Financial Position:

Increase of Stocks	£4,615,050
Reduction of Debtors: amounts due within one year (trade debtors)	£1,838,466
Increase of Debtors: amounts due within one year (other debtors)	£60,240
Increase of Debtors: amounts due within one year (corporation tax recoverable)	£341,636
Increase of Creditors: amounts falling due within one year (accruals and deferred income)	£4,984,804
Increase of net liabilities and decrease in Equity attributable to owners of the parent company of	£1,806,344

The amount of the correction at the beginning of the prior period, being 1 May 2021, is shown below:

Increase in the Deficit on the profit and loss account	£383,395
Increase of Net liabilities	£383,395

The consolidated Statement of Changes in Equity has also been restated in line with the amounts disclosed above.

#### Consolidated Statement of Cash Flows:

Reduction of Increase in debtors of	£730,736
Increase of Increase in creditors of	£4,680,498
Increase of Increase in stocks of	£3,720,255
Reduction of Tax charge of	£268,030
Movement in Net cash generated from operating activities of	£Nil

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

### 24. 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 £229,005 (2022 - £193,026) were payable to the fund at the reporting date and are included in creditors.

### 25. Commitments under operating leases

At 30 April 2023 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £
Not later than 1 year	1,451,383	1,336,949
Later than 1 year and not later than 5 years	4,880,092	4,819,604
Later than 5 years	4,680,687	6,020,815
	<u>11,012,162</u>	<u>12,177,368</u>

### 26. 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 the subsidiary, Omar Group Finance Limited and its subsidiaries. At 30 April 2023 the outstanding Loan Note liabilities which has been guaranteed totalled £49,083,422 (2022 - £43,981,578).

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 2023 the outstanding liabilities which have been guaranteed totalled £10,755,000 (2022 - £10,755,000).

At the year end the Group had committed capital expenditure in respect of tangible fixed assets of £Nil (2022 - £125,966).

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

### 27. 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 £2,034,723 (2022 - £2,017,158).

During the year a monitoring fee of £150,000 (2022 - £150,000) was charged by Rutland Partners LLP, the ultimate controlling party.

In respect of 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 including interest is £49,083,422 (2022 - £43,981,578). Details of the interest and repayment terms are within note 17. Total interest expense in the year was £5,101,844 (2022 - £4,565,495) on these loans.

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

### 28. 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.

### 29. Analysis of net debt

	At 1 May 2022 £	Cash flows £	Other non- cash changes £	At 30 April 2023 £
Cash at bank and in hand	11,091,083	3,909,154	-	15,000,237
Bank loans	(10,755,000)	-	-	(10,755,000)
Other loans	(42,366,670)	-	(4,912,013)	(47,278,683)
	<u>(42,030,587)</u>	<u>3,909,154</u>	<u>(4,912,013)</u>	<u>(43,033,446)</u>

In relation to other loans, other non-cash changes of £4,912,013 (2022 - £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 17. In addition, in relation to the related accrued interest on other loans, there are non-cash changes of £189,831, in respect of an increase in the level of accrued interest during the year (refer to note 16).

# Omar Group Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 April 2023

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### 30. Subsequent events

Group – In respect of 'A', 'B' and 'Vendor' Loan Notes issued by the Group of £49,083,422 including accrued interest (2022: total of £43,981,578), shown as Other Loans falling due after more than one year within note 16, on 29 June 2023 a majority of the Loan Note holders extended, by way of Loan Note amendment and restatement deeds, the redemption dates of the Loan Note instruments to 30 September 2025, or if earlier, the date upon which a Sale or Listing, or a Disposal takes place (as defined in the Loan Note agreements). 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 until their redemption date.

Group - On 11 May 2023, Royale Parks Limited which is a customer of the business went into administration, followed by various other entities within the RoyaleLife group of companies which are affiliated by direct and indirect common ownership. This exposed the Group to potentially doubtful debts amounting to £2M at the balance sheet date, which have been provided for within the accounts to the 30 April 2023. Further, this severely constrains the ongoing trading activities of a significant number of residential and leisure parks across the country which were owned and managed by Royale. As a consequence of this, overstocking within the park home, lodge and, particularly, caravan holiday home markets and ongoing economic uncertainty, the outlook for sales in the coming year (FY24) to 30 April 2024 has been significantly reduced compared to the Group's original budget and prior year performance. Despite this disappointing downturn, with cost reduction initiatives taken and planned, the Group anticipates generating positive EBITDA returns through FY24 in the high single digits.

Group - Since the balance sheet date, the business has engaged in collective and individual consultations with a view to making 286 roles redundant across all 4 sites (Brandon (Suffolk), Hull, Three-Legged Cross (Dorset) and Lye (West Midlands)). These processes are now complete and a total of 307 staff have left the business, 237 of those by way of redundancy.

Group - In view of the current market dynamics, our restructuring and revised projections for FY24, the Group has negotiated an amendment and extension to our senior facilities agreement with HSBC which was fully executed on 30 October 2023. This amendment sees the senior term loan extended by 12-months to April 2025, with smaller instalments repayable at 6-monthly intervals and slightly modified covenants, which will ensure that the Group maintains good levels of liquidity and headroom against our covenants throughout the remainder of the term.

Company – Amounts owed by group companies falling due after more than one year as shown within note 13, are 'Exchange' Loan Notes which amount to £895,520, including accrued interest receivable (2022: total of £799,571). On 29 June 2023 the Loan Notes were amended by way of Loan Note amendment and restatement deed, such that the redemption date of those amounts was amended to 30 September 2025. As a result, the Loan Notes and accrued interest will not be receivable until redemption date.