

**CHARTWAY PARTNERSHIPS GROUP LIMITED
(FORMERLY PSP GROUP HOLDCO LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

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CHARTWAY PARTNERSHIPS GROUP LIMITED

COMPANY INFORMATION

Directors	S Cresswell M Ewing K J Maddin T Onslow P Safa I D Savage
Registered number	10842852
Registered office	Orchard House Westerhill Road Coxheath Maidstone Kent ME17 4DH
Independent auditor	Crowe U.K. LLP Riverside House 40 - 46 High Street Maidstone Kent ME14 1JH

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2023**

Introduction

The company was incorporated on 29 June 2017. These accounts reflect consolidated results for its existing subsidiaries for the whole accounting period. Following the company's acquisition of Chartway Group Holdings Limited on 27 June 2022, they also reflect the consolidated results of that entity and its subsidiaries from this date. The company acts as a holding company. The principal trade is within Chartway Group Limited and its subsidiaries.

The company changed its name from PSP Group Holdco Limited to Chartway Partnerships Group Limited on 4th October 2022.

Business review

On 27th June 2022 Cabot Square Capital acquired a majority shareholding in Chartway Group Holdings Limited. The investment was made by Cabot Square's existing portfolio company Chartway Partnerships Group Limited (formerly PSP Group HoldCo Limited) to create a new merged Group. Chartway Partnerships Group is a specialist strategic asset manager that partners with public and private sector bodies to add value to land and property assets as well as deliver positive ESG outcomes for local communities.

Turnover for the 12 months to 31st May 2023 was £147.2m with a Gross Margin of 18.3% of turnover leading to an operating profit of £8.8m which includes amortisation of goodwill totalling £4.5m, amortisation of software totalling £129k, amortisation of loan arrangement fees of £275k and depreciation of £620k. The total overall EBITDA achieved during this 12 month period being £14.1m with an EBIT of £8.8m and an Adjusted EBIT of £13.6m (being EBIT adjusted for amortisation of goodwill and loan arrangement fee amortisation).

The Group has delivered a strong financial result despite challenging market conditions. Although the market outlook remains uncertain the Group is well placed to both overcome potential difficulties and to take opportunities that may present themselves as a result of changing economic conditions.

The forward order book remains strong with several large contracts secured, and others being negotiated. The business continues to review processes and procedures to ensure it is as efficient as possible.

The UK requires more affordable homes. We continue to invest in our Partnership business which is the stable foundation for the Group. During 2023/24 we will begin working with a new tranche of investment partners delivering much needed housing for the private residential rental market.

In addition, whilst private sale market conditions continue to be challenging, the expectation is that they will improve during the 2024 calendar year.

The Group spends a considerable amount of time building relationships with strategic supply chain partners and subcontractors.

Principal risks and uncertainties

The Directors are constantly reviewing the market and the business to ensure that trading risk is minimised. The principal risk remains as the unforeseen market conditions and high rate of inflation. Mortgage interest rates and the impact of the current cost of living have heavily impacted the sale of private units. However, this Partnership based Group has several different revenue streams including land led development with Housing Associations which have enabled further growth during the period.

We have seen material availability return to pre pandemic levels during 2023 but some risk remains around categories impacted by global macro economic factors, especially those materials exposed to high energy use in the manufacturing process.

CHARTWAY PARTNERSHIPS GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

Financial risk management

The Group's financial instruments are disclosed in note 23. The Group regularly reviews its exposure to counterparty risk and reviews working capital requirements.

Exposure to price, credit, liquidity and cashflow risk

The group does not have any financial instruments that are subject to material price risk.

Details of the Group's debts can be found in note 21. The Group has policies in place to ensure that it minimises credit risk by ensuring appropriate due diligence is performed on customers before undertaking contracts.

The Group manages liquidity risk and cashflow risk by managing cash generation through ensuring timely collection of debtors. The Group is cash generative and holds significant cash balances. The Group has one lender through Chartway Bldco Ltd with regular reporting in place to report against agreed banking covenant tests which are closely monitored.

Financial key performance indicators

The Directors consider the key performance indicators to be group turnover, gross margin %, earnings before interest, taxation, depreciation and amortisation (EBITDA), adjusted earnings before interest and taxation (Adjusted EBIT), and profit after tax.

Group turnover for the year was £147,208,550. Gross margin was 18.3%. EBITDA was £14,079,643. Adjusted EBIT was £13,347,538*. Profit after taxation was £2,303,098.

*Adjusted EBIT has been calculated as EBIT of £8,820,818 with Goodwill Amortisation totalling £4,526,720 added back.

CHARTWAY PARTNERSHIPS GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

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

Section 172 (1) Statement

The board of Directors of Chartway Partnerships Group Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders.

In doing so, the Directors must have regard, amongst other matters, to the following issues:

- look at the long term consequences of any decisions;
- factor the interests of all the Company's employees;
- manage the Company's business relationships with suppliers/sub contractors/customers and others;
- appreciate the impact of the Company's working on the community and environment
- maintain the Company's reputation for high standards of business conduct and
- the requirement to act fairly between members of the Company.

Culture

A fast paced business with a strong focus on customer service we have always pushed the boundaries of delivering a quality product on time and price. Our values and leadership styles are a vital part of our culture to ensure that through good governance, our conduct and decision making we do the right thing for the business and stakeholders. ISO accreditation work is already underway with a target of achieving this within 18 months. We have invested in technology to improve the communication around the Group and providing direct feedback to all employees with the first all team conference held in May 2023.

Employees

A key to the Group's continued success and growth has been the fully engaged workforce. The Directors are committed to promoting a healthy workforce comprising both physical and mental wellbeing. The Directors keep staff informed of key issues through structured communication channels, promote inclusion in the workplace and provide training and development opportunities where they are considered of benefit to the Company and employees. The Directors seek to attract and retain talented staff. The senior management team worked together to formulate the Vision and Values of the Group – Quality, Respect, Integrity, Innovate, Sustainable – Stronger Together. The Group has carried out a BCI Best Companies Index Survey which will be conducted annually for all employees.

Customers

Understanding the requirements of our customers is vitally important to the business and the Directors commit considerable time, effort and resources into understanding and responding to the needs of our customers with a view to fostering long term mutually beneficial partnerships. We act to service our customers' needs to the highest standards and work quickly to resolve any isolated issues that may arise from time to time. Working with customers to gather Continuous Quality Scores to enable the business to calculate its Net Promoter Score and develop regular feedback from customers.

Suppliers/Sub-Contractors

We have long standing relationships with most of our suppliers and sub contractors who are based locally in the South East. We work closely with them to secure the right quality materials at competitive rates. Over the years we have built up a strong relationship with all the sub contractors that we engage with on every site. We have procedures in place to ensure that external suppliers and sub contractors are individually verified to ensure they meet with the health and safety, regulatory and financial security standards required by the Company. The Company seeks to pay all suppliers and sub contractors any undisputed amounts due and that conform with the Company's billing requirements within agreed terms. The Company has established procedures for dispute resolution in a timely and fair manner.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2023

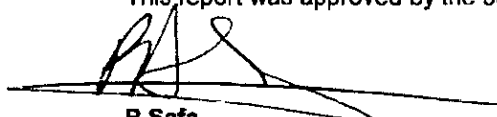
Shareholders

The share structure of the Group changed on 27 June 22, with Cabot Square Capital acquiring a controlling 75% shareholding through the acquisition by the company of Chartway Group Holdings Limited by Chartway Partnerships Group Limited. The management of the acquiree retained a 25% investment of as a result of this transaction.

Community and Environment

We work closely with several local charities and engage with the local community at several levels from donating a contribution for every private sale to meeting with residents at future proposed developments to gather feedback on their local needs and wishes. The business has established its ESG and Social Value Strategy. The business now has an ED&I (Equality, Diversity, and Inclusion) Champion with awareness being raised internally and externally. Our vision is to develop homes for everyone and by putting ED&I at the forefront of our thinking, we will be better placed to deliver homes for all communities and build a team that represents and understands our customers and clients. Our sustainability strategy has been written through to 2031 and launched in Sept 2023. The Group's sustainability strategy has now been launched with the objective to reach net zero and the commitment to minimising our impact on the environment.

This report was approved by the board on 28th Feb 24 and signed on its behalf.



P Safa
Director

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2023

The directors present their report and the financial statements for the year ended 31 May 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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;
- *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Group of companies during the period was that of house building and general construction.

The address of the registered office and principal place of business is:

Orchard House
Westerhill Road
Coxheath
Kent
ME17 4DH

CHARTWAY PARTNERSHIPS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2023

Results and dividends

The profit for the year, after taxation, amounted to £2,303,098 (2022 - loss £2,153,688).

During the year, the Company paid total dividends of £Nil (2022: £Nil). The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

S Cresswell (appointed 27 June 2022)
M Ewing
K J Maddin
T Onslow
P Safa (appointed 27 June 2022)
I D Savage (appointed 27 June 2022)
P J Brown (resigned 1 June 2023)
D R Lock (appointed 27 June 2022, resigned 29 March 2023)

CHARTWAY PARTNERSHIPS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

Environmental matters

Streamlined Energy and Carbon Reporting Summary (SECR)

We are committed to responsible energy management and will practice energy efficiency throughout our organisation, wherever it is cost effective. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

Our head office Orchard House is an environmentally friendly building which generates over 45,000kWh of electricity each year through the photovoltaic panels which are located at the front of the building and supply all the surplus electricity into the grid. There is also no gas required in the building with the underfloor heating being fed by an air source heat pump and hot water heated by solar panels on the roof.

We have increased the availability and encourage the use of video conferencing as well as reduced travel costs by limiting the number of face to face meetings with clients and suppliers.

Appendix 1 - Energy Emissions Report - 31st May

	2023
UK Energy Use (1) kWh	406,854 kWh
UK Energy Generated (2) kWh	-48,960 kWh
Associated Greenhouse Gas Emissions (3)	
Scope 1 - Vehicles/Plant Tonnes CO2 equivalent	2,617 Tonnes CO2e
Scope 2 - Direct Use Tonnes Co2 equivalent	76 Tonnes CO2e
Intensity Ratio Emissions per Employee	10.56 Tonnes CO2e

(1) UK energy use covers electricity across two offices and fourteen live sites

(2) Energy generated by PV panels at Head Office - Orchard House

(3) Associated Greenhouse gases have been calculated using the UK Government GHG Conversion Factors for Company Reporting

Scope 1 - use of own vehicles, hired vehicles and plant on site
Scope 2 - direct use of electricity in offices and on sites

CHARTWAY PARTNERSHIPS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

Appendix 2 - Source of Information

Activity	Source of information
Electricity Usage	Total kilowatt hours used from electricity bills
Natural Gas use	Total kilowatt hours used from gas bills
Fuel used in company	Litres of fuel purchased from invoices and receipts
Owned vehicles	Tonnes of CO2 calculated based on emissions for vehicle and mileage used

Collected data are then converted into greenhouse gas emissions associated with each activity.
Data X Emission Factor = Greenhouse Gas Emissions

Appendix 3 - Transport Requirements

	Included	Not Included
Fuel in fleet cars	X	
Fleet reimbursed to employees for own cars	X	
Fuel in hire cars	X	
Fuel in taxis		X
Fuel in planes (not operated by entity)		X
Fuel in trains		X
Fuel in vehicles operated by sub-contracted entities or self-employed contractors		X

Future developments

Future developments can be found within the business review included within the Group Strategic Report.

Financial instruments

Details of the Group's financial instruments can be found in the Strategic Report and note 23 to the accounts.

CHARTWAY PARTNERSHIPS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

Going concern

The Directors have reviewed financial forecasts and considered the general economic position of the construction sector and continuing future contracts. Based upon this review, they consider that the Group will be continuing to be profitable and be able to finance its operations and meet its financial obligations as they fall due for the foreseeable future.

The Directors continue to closely monitor the developing situation in the market with the risk of disruption to supplies, labour resources and productivity. In these uncertain times the directors have modelled several different scenarios to ensure we have a robust plan in place for the likely disruptive period ahead.

The forecasting and forward planning of the Group is now aligned with an integrated financial model which is in place to enable management to regularly review all future metrics and KPI's as well as forecasting turnover/costs/cashflow. The model enables them to factor in all future sites and review any sensitivities required. Various scenarios have been run through the model and presented to the board – specifically reviewing all Bank (Pricoa) Covenants looking ahead. The board are satisfied that the Group can meet its bank covenants moving forward. On 31st October 2023 Cabot Square Capital injected further capital into the Group to allow for further land purchases to take place securing future workload for the Group.

Furthermore, the Directors have considered the sensitivity of their forecasts and how headroom could be managed, along with mitigation plans. They concluded that the Group has sufficient financial resources and therefore, believe that it is well placed to manage its business risks and cash flows successfully. Therefore, the financial statements have been prepared on a going concern basis.

Engagement with employees

Details of engagement with employees can be found in the Section 172 statement included within the Strategic Report.

Engagement with suppliers, customers and others

Details of engagement with suppliers, customers and others can be found in the Section 172 statement included within the Strategic Report.

Greenhouse gas emissions, energy consumption and energy efficiency action

Details of the above can be found in the Strategic Report.

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.

Post balance sheet events

Details of post balance sheet events are included in note 33 to the accounts.

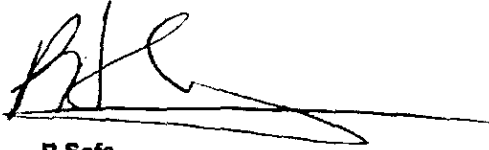
CHARTWAY PARTNERSHIPS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2023

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28th Feb 2024 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'P Safa', is written over a horizontal line.

P Safa
Director

CHARTWAY PARTNERSHIPS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTWAY PARTNERSHIPS GROUP LIMITED

Opinion

We have audited the financial statements of Chartway Partnerships Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 May 2023, which comprise the Consolidated statement of comprehensive income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 May 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

CHARTWAY PARTNERSHIPS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTWAY PARTNERSHIPS GROUP LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the 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 set out on page 5, 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.

CHARTWAY PARTNERSHIPS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTWAY PARTNERSHIPS GROUP LIMITED (CONTINUED)

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 Group financial statements.

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

We obtained an understanding of the legal and regulatory frameworks within which the company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and relevant Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and revenue recognition. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases. Our audit procedures to respond to revenue recognition risks included testing a sample of revenue across the year to agree to supporting documentation and testing revenue cut-off to ensure that it has been recognised in the correct period.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

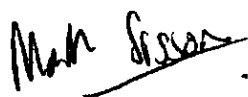
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

CHARTWAY PARTNERSHIPS GROUP LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTWAY PARTNERSHIPS GROUP
LIMITED (CONTINUED)**

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Sisson (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Riverside House
40 - 46 High Street
Maidstone
Kent
ME14 1JH

Date: 29/2/24

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2023**

	Note	2023 £	2022 £
Turnover	4	147,208,550	325,773
Cost of sales		(120,307,836)	19,249
Gross profit		26,900,714	345,022
Administrative expenses		(13,206,884)	(3,028,670)
Other operating income	5	385,813	72,788
Operating profit		14,079,643	(2,610,860)
Depreciation and amortisation		(5,258,825)	(12,348)
EBIT		8,820,818	(2,623,208)
Income from participating interests		347,036	428,727
Interest receivable and similar income	10	63,524	94,122
Interest payable and similar expenses	11	(7,172,691)	(53,329)
Profit/(loss) before taxation		2,058,687	(2,153,688)
Tax on profit/(loss)	12	244,411	-
Profit/(loss) for the financial year		2,303,098	(2,153,688)

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

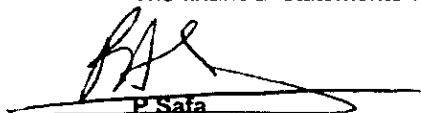
The notes on pages 23 to 49 form part of these financial statements.

CHARTWAY PARTNERSHIPS GROUP LIMITED
REGISTERED NUMBER: 10842852

**CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2023**

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	13	45,189,205	21,977
Tangible assets	14	4,174,517	14,094
		<u>49,363,722</u>	<u>36,071</u>
Current assets			
Stocks	16	37,882,684	1,913,504
Debtors: amounts falling due within one year	17	24,490,604	3,044,613
Cash at bank and in hand	18	9,184,041	720,162
		<u>71,557,329</u>	<u>5,678,279</u>
Creditors: amounts falling due within one year	19	(74,633,001)	(18,462,964)
Net current liabilities		<u>(3,075,672)</u>	<u>(12,784,685)</u>
Total assets less current liabilities		<u>46,288,050</u>	<u>(12,748,614)</u>
Creditors: amounts falling due after more than one year	20	(55,329,799)	-
Provisions for liabilities			
Other provisions	25	(1,403,167)	-
		<u>(1,403,167)</u>	<u>-</u>
Net liabilities		<u>(10,444,916)</u>	<u>(12,748,614)</u>
Capital and reserves			
Called up share capital	26	1,700	1,100
Profit and loss account	27	(10,446,616)	(12,749,714)
		<u>(10,444,916)</u>	<u>(12,748,614)</u>

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


P. Safa
Director

28/2/24

The notes on pages 23 to 49 form part of these financial statements.

REGISTERED NUMBER: 10842852

**COMPANY BALANCE SHEET
AS AT 31 MAY 2023**

	Note	2023 £	2022 £
Fixed assets			
Investments	15	1	1
		<u>1</u>	<u>1</u>
Current assets			
Debtors: amounts falling due within one year	17	15,009,242	32,911
Cash at bank and in hand	18	2,941	11,934
		<u>15,012,183</u>	<u>44,845</u>
Creditors: amounts falling due within one year	19	(167,148)	(123,579)
Net current assets/(liabilities)		<u>14,845,035</u>	<u>(78,734)</u>
Total assets less current liabilities		<u>14,845,036</u>	<u>(78,733)</u>
Creditors: amounts falling due after more than one year	20	(16,135,537)	-
Net liabilities		<u>(1,290,501)</u>	<u>(78,733)</u>
Capital and reserves			
Called up share capital	26	1,700	1,100
Profit and loss account brought forward		(79,833)	(47,123)
Loss for the year		(1,212,368)	(32,710)
Profit and loss account carried forward		<u>(1,292,201)</u>	<u>(79,833)</u>
		<u>(1,290,501)</u>	<u>(78,733)</u>

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


P Safa
Director

28/2/24

The notes on pages 23 to 49 form part of these financial statements.

CHARTWAY PARTNERSHIPS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2022	1,100	(12,749,714)	(12,748,614)
Comprehensive income for the year			
Profit for the year	-	2,303,098	2,303,098
Total comprehensive income for the year	-	2,303,098	2,303,098
Shares issued during the year	600	-	600
At 31 May 2023	1,700	(10,446,616)	(10,444,916)

The notes on pages 23 to 49 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2021	1,100	(10,596,026)	(10,594,926)
Comprehensive income for the year			
Loss for the year	-	(2,153,688)	(2,153,688)
Total comprehensive income for the year	-	(2,153,688)	(2,153,688)
At 31 May 2022	1,100	(12,749,714)	(12,748,614)

The notes on pages 23 to 49 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2022	1,100	(79,833)	(78,733)
Comprehensive income for the year			
Loss for the year	-	(1,212,368)	(1,212,368)
	-	(1,212,368)	(1,212,368)
Total comprehensive income for the year			
Shares Issued during the year	600	-	600
At 31 May 2023	1,700	(1,292,201)	(1,290,501)

The notes on pages 23 to 49 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2021	1,100	(47,123)	(46,023)
Comprehensive income for the year			
Loss for the year	-	(32,710)	(32,710)
	-	(32,710)	(32,710)
Total comprehensive income for the year			
At 31 May 2022	1,100	(79,833)	(78,733)

The notes on pages 23 to 49 form part of these financial statements.

CHARTWAY PARTNERSHIPS GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2023**

	2023	2022
	£	£
Cash flows from operating activities		
Profit/(loss) for the financial year	2,303,098	(2,153,688)
Adjustments for:		
Amortisation of intangible assets	4,655,167	54,601
Depreciation of tangible assets	627,080	6,624
Profit on disposal of intangible assets	-	60,443
Loss on disposal of tangible assets	(90,173)	-
Income receivable from participating interests	(347,036)	(428,727)
Interest payable	7,172,690	53,329
Interest receivable	(63,524)	(94,122)
Taxation charge	(244,411)	-
(Increase) in stocks	(11,924,543)	(708,288)
Decrease in debtors	5,612,243	2,726,366
(Decrease) in creditors	(19,202,583)	(348,325)
(Decrease)/increase in provisions	(767,417)	-
Corporation tax (paid)/received	(2,163,160)	-
Net cash generated from operating activities	(14,432,569)	(831,787)
Cash flows from investing activities		
Purchase of intangible fixed assets	(67,085)	(29,670)
Purchase of tangible fixed assets	(443,510)	(5,946)
Sale of tangible fixed assets	103,225	-
Purchase of subsidiary (net of costs)	(52,315,215)	-
Cash acquired on purchase of subsidiary	10,567,203	-
Interest received	63,524	94,122
Income from participating interests	347,036	428,727
Net cash from investing activities	(41,744,822)	487,233

CHARTWAY PARTNERSHIPS GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2023

	2023 £	2022 £
Cash flows from financing activities		
Issue of ordinary shares	600	-
New secured bank loans	39,202,803	497,230
Repayment of bank loans	(810,394)	-
Repayment of finance leases	(260,070)	-
New loans from group companies	29,999,550	-
Interest paid	(3,467,211)	(53,329)
Hire purchase interest paid	(24,008)	-
Net cash used in financing activities	64,641,270	443,901
Net increase in cash and cash equivalents	8,463,879	99,347
Cash and cash equivalents at beginning of year	720,162	620,815
Cash and cash equivalents at the end of year	9,184,041	720,162
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	9,184,041	720,162
	9,184,041	720,162

The notes on pages 23 to 49 form part of these financial statements.

CHARTWAY PARTNERSHIPS GROUP LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MAY 2023**

	At 1 June 2022 £	Cash flows £	Acquisition and disposal of subsidiaries £	New bank loans £	Other non- cash changes £	At 31 May 2023 £
Cash at bank and in hand	720,162	(2,103,324)	10,567,203	-	-	9,184,041
Debt due after 1 year	-	-	-	(39,202,803)	135,428	(39,067,375)
Debt due within 1 year	(810,394)	810,394	-	-	(410,000)	(410,000)
Finance leases	-	260,070	(696,355)	-	-	(436,285)
	<u>(90,232)</u>	<u>(1,032,860)</u>	<u>9,870,848</u>	<u>(39,202,803)</u>	<u>(274,572)</u>	<u>(30,729,619)</u>

The notes on pages 23 to 49 form part of these financial statements.

Other non-cash changes relate to the amortisation of loan arrangement fees.

CHARTWAY PARTNERSHIPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

1. General Information

Chartway Partnerships Group Limited is a private limited company, limited by shares, incorporated and registered in England and Wales. The Company's registered office and the principal activity of the Company and Group is disclosed in the principal place of business.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 judgment in applying the Group's accounting policies (see note 3).

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The group financial statements consolidate the financial statements of Chartway Partnerships Group Limited and all its subsidiary undertakings drawn up to 31 May each year.

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 Balance sheet, 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

2. Accounting policies (continued)

2.3 Going concern

The Directors have reviewed financial forecasts and considered the general economic position of the construction sector and continuing future contracts. Based upon this review, they consider that the group will be continuing to be profitable and be able to finance its operations and meet its financial obligations as they fall due for the foreseeable future.

The Directors continue to closely monitor the developing situation in the market with the risk of disruption to supplies, labour resources and productivity. In these uncertain times the directors have modelled several different scenarios to ensure we have a robust plan in place for the likely disruptive period ahead.

The forecasting and forward planning of the Group is now aligned with an integrated financial model which is in place to enable management to regularly review all future metrics and KPI's as well as forecasting turnover/costs/cashflow. The model enables them to factor in all future sites and review any sensitivities required. Various scenarios have been run through the model and presented to the board – specifically reviewing all Bank (Pricoa) Covenants looking ahead. The board are satisfied that the Group can meet its bank covenants moving forward. On 31st October 2023 Cabot Square Capital injected further capital into the Group to allow for further land purchases to take place securing future workload for the Group.

Furthermore, the Directors have considered the sensitivity of their forecasts and how headroom could be managed, along with mitigation plans. They concluded that the Group has sufficient financial resources and therefore, believe that it is well placed to manage its business risks and cash flows successfully. Therefore, the financial statements have been prepared on a going concern basis.

2.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Income is recognised on legal completion of each sale for open market developments, and on a stage of completion basis for contract developments.

Sale of building supplies are recognised upon despatch of the goods.

For contract developments profit is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end by recording turnover and related costs as contract activity progresses.

Turnover is calculated based on the proportion of costs incurred to date as a proportion of total costs.

Revenues derived from variations on contracts are recognised only when they have been accepted by the customers.

Within Chartway Living Limited turnover comprises facilitations and resource returns generated from the company's participating interests. These facilitation and resource returns are accrued as the company completes its services to the extent that economic benefits will flow to the company and turnover can be reliably measured.

Full provision is made for losses on all contracts in the year in which they are first foreseen.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

2. Accounting policies (continued)

2.5 Operating leases: the Group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

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

2.8 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 Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

2. Accounting policies (continued)

2.9 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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, associates, branches and joint ventures 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 balance sheet date.

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

2. Accounting policies (continued)

2.11 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 over its useful economic life.

Computer software

Computer software is measured at cost less accumulated amortisation and accumulated impairment losses. Computer software is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

The estimated useful lives range as follows:

Goodwill	-	10	years
Computer software	-	4	years

2.12 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.

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.

Land is not depreciated.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

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:

Freehold property	-	2% straight line
Plant and machinery	-	20% to 30% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	4% to 25% straight line
Office equipment	-	25% straight line

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.

2.13 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company.

Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Stocks

Building materials 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.

At each balance sheet 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.

Work in progress represents costs incurred on private market builds. Costs are deferred on the balance sheet to the extent they are recoverable and released upon legal completion, which is the point at which revenue is taken.

Land stock represents land purchased for redevelopment.

CHARTWAY PARTNERSHIPS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

2. Accounting policies (continued)

2.16 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.18 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.19 Holiday pay accrual

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

2.20 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.21 Financial Instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to group undertakings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

3. Judgments In applying accounting policies and key sources of estimation uncertainty

The Group may be required to make estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The principal areas where judgement was exercised are as follows:

Work in progress: The directors annually review the balance to assess whether a provision needs to be entered against amounts which may not be recoverable.

Contract and private buildings: The Group builds housing both under contract for housing associations and private builds which it sells under its Westerhill Homes brand. Where sites are constructed together management are required to make estimates on the allocation of costs to the contract and private build elements of the work. To do so management calculate the total square footage of the site and apportion based on the square footage of the respective builds.

Goodwill: Goodwill is amortised over a period of 10 years which, in the opinion of the directors, represents its useful economic life. Goodwill is reviewed annually for signs of impairment.

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
House building, general construction and sale of building supplies	146,896,242	62,923
Advisory fees	312,308	262,850
	<u>147,208,550</u>	<u>325,773</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2023 £	2022 £
Other operating income	385,813	72,788

Other operating income of £385,813 (2022: £33,868) relates to the provision of financial services to joint venture entities.

Other operating income of £Nil (2022: £38,920) relates to a refund received in relation to a previously aborted development project. The payment of this amount was initially capitalised as stock. Prior to the start of financial period 2021/22 it was subsequently written off. It was therefore booked as income when received during the financial period ending 31 May 2022.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

6. Earnings Before Interest and Taxation

EBIT is stated after charging:

	2023	2022
	£	£
Other operating lease rentals	152,048	-
Depreciation of tangible fixed assets	619,945	6,624
Amortisation of goodwill	4,526,720	-
Amortisation of software	128,447	5,724
	<u>128,447</u>	<u>5,724</u>

7. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor:

	2023	2022
	£	£
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	120,260	49,750
Fees payable to the Company's in respect of:		
Taxation compliance services	12,120	-
All other services	21,900	-
	<u>12,120</u>	<u>-</u>
	<u>21,900</u>	<u>-</u>

8. Employees

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

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
Wages and salaries	17,382,308	1,410,995	-	-
Social security costs	1,777,831	172,989	-	-
Cost of defined contribution scheme	444,317	58,817	-	-
	<u>19,604,456</u>	<u>1,642,801</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023	2022
	No.	No.
Employees	267	15
	<u>267</u>	<u>15</u>

CHARTWAY PARTNERSHIPS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

9. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	440,254	332,893
Group contributions to defined contribution pension schemes	24,500	15,536
	464,754	348,429

During the year retirement benefits were accruing to 6 directors (2022 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £228,333 (2022 - £180,031).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £16,438 (2022 - £8,366).

10. Interest receivable

	2023	2022
	£	£
Other interest receivable	63,524	94,122

11. Interest payable and similar expenses

	2023	2022
	£	£
Bank interest payable	7,941	-
Other loan interest payable	3,459,121	53,329
Mortgage interest payable	274,572	-
Finance leases and hire purchase contracts	24,008	-
Other interest payable	3,407,049	-
	7,172,691	53,329

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

12. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	299,833	-
Total current tax	<u>299,833</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(544,244)	-
Total deferred tax	<u>(544,244)</u>	<u>-</u>
Tax on profit/(loss)	<u>(244,411)</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

12. 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 20% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit/(loss) on ordinary activities before tax	2,058,686	(2,153,688)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2022 - 19%)	411,737	(409,201)
Effects of:		
Pre-acquisition results eliminated	(440,560)	-
Expenses not deductible for tax purposes	1,454,129	18,807
Depreciation not qualifying for capital allowances	8,135	-
Super-deduction expenditure adjustment	(16,465)	-
Goodwill amortisation arising on consolidation - not deductible for tax purposes	883,277	-
Adjustments to tax charge in respect of prior periods	15,623	-
Group relief surrendered/(claimed)	70,631	-
Deferred tax not recognised	(2,278,080)	399,482
Deferred tax rate differences	350,394	-
Marginal relief	(82)	-
Change in accounting policy	(703,150)	-
Utilisation of brought forward losses	-	(9,088)
Total tax charge for the year	(244,411)	-

Factors that may affect future tax charges

The rate of corporation tax increased from 19% to 25% from 1 April 2023. At the same time, a small companies' rate of 19% has been introduced and marginal relief given for intermediate companies. The main rate applies to companies with profits over £250,000; the small companies' rate to those with profits of £50,000 or less, with marginal tapering for profits in between the thresholds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

13. Intangible assets

Group

	Computer software £	Goodwill £	Total £
Cost			
At 1 June 2022	140,268	-	140,268
Additions	67,085	-	67,085
On acquisition of subsidiaries	372,901	49,382,409	49,755,310
At 31 May 2023	<u>580,254</u>	<u>49,382,409</u>	<u>49,962,663</u>
Amortisation			
At 1 June 2022	118,291	-	118,291
Charge for the year on owned assets	128,447	4,526,720	4,655,167
At 31 May 2023	<u>246,738</u>	<u>4,526,720</u>	<u>4,773,458</u>
Net book value			
At 31 May 2023	<u>333,516</u>	<u>44,855,689</u>	<u>45,189,205</u>
At 31 May 2022	<u>21,977</u>	<u>-</u>	<u>21,977</u>

Amortisation charges are included within administrative expenses.

CHARTWAY PARTNERSHIPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

14. Tangible fixed assets

Group	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation								
At 1 June 2022	-	-	-	-	-	15,806	46,686	62,492
Additions	-	22,410	227,506	59,485	123,791	196	10,122	443,510
Acquisition of subsidiary	2,823,534	38,539	872,100	338,122	254,434	28,648	1,668	4,357,045
Disposals	-	-	(198,500)	(53,839)	-	-	(1,310)	(253,649)
At 31 May 2023	2,823,534	60,949	901,106	343,768	378,225	44,650	57,166	4,609,398
Depreciation								
At 1 June 2022	-	-	-	-	-	7,004	41,394	48,398
Charge for the year on owned assets	33,491	4,943	161,014	147,982	38,219	15,591	5,159	406,399
Charge for the year on financed assets	-	-	220,681	-	-	-	-	220,681
Disposals	-	-	(198,500)	(40,787)	-	-	(1,310)	(240,597)
At 31 May 2023	33,491	4,943	183,195	107,195	38,219	22,595	45,243	434,881

CHARTWAY PARTNERSHIPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

Tangible fixed assets (continued)

Net book value									
At 31 May 2023									
	2,790,043	56,006	717,911	236,573	340,006	22,055	11,923	4,174,517	
At 31 May 2022									
	-	-	-	-	-	8,802	5,292	14,094	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

14. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023	2022
	£	£
Plant and machinery	631,022	-
Motor vehicles	96,637	-
	727,659	-

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 June 2022	1
At 31 May 2023	1

CHARTWAY PARTNERSHIPS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Direct/indirect subsidiary	Principal activity	Class of shares	Holding
Chartway Partnerships Finco Limited (formerly PSP Group Finco Limited)	Direct	Holding company	Ordinary	100%
Chartway Living Holdings Limited	Indirect	Holding company	Ordinary	100%
Chartway Living Limited	Indirect	Consultancy services and participating in property projects	Ordinary	100%
LetLife One Limited	Indirect	Buying and selling of property	Ordinary	100%
LetLife Developments Limited	Indirect	Construction services	Ordinary	100%
Public Sector Plc	Indirect	Dormant	Ordinary	100%
Chartway CleanCo Limited	Indirect	Holding company	Ordinary	100%
Chartway BldCo Limited	Indirect	Holding company	Ordinary	100%
Chartway Group Holdings Limited	Indirect	Holding company	Ordinary	100%
Chartway Group Limited	Indirect	House building and general construction	Ordinary	100%
Chartway Construction Limited (formerly BBS Construction Limited)	Indirect	Building Contractors	Ordinary	100%
Chartway Drylining Limited (formerly CGL Drylining Limited)	Indirect	Drylining	Ordinary	100%
Westerhill Homes Limited	Indirect	Dormant	Ordinary	100%
Chartway Civil Engineering Limited	Indirect	Civil Engineering Works	Ordinary	100%
Chartway Property Management Limited	Indirect	Dormant	Ordinary	100%
Chartway Partnerships Limited (formerly Chartway Construction Limited)	Indirect	Dormant	Ordinary	100%
Chartway Building Supplies Holdings Limited (formerly Swale Holdings Limited)	Indirect	Holding company	Ordinary	100%
Chartway Group Properties Limited (formerly Swale Properties Limited)	Indirect	Management and rent of commercial property	Ordinary	100%
Chartway Building Supplies Limited (formerly Swale Builders Supplies Limited)	Indirect	Sale of builders' supplies	Ordinary	100%

The registered office of all subsidiaries is the same as the address disclosed on the company information page.

CHARTWAY PARTNERSHIPS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

15. Fixed asset investments (continued)

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 May 2023 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
	£	£
Chartway Partnerships Finco Limited (formerly PSP Group Finco Limited)	596,332	(3,919)
Chartway Living Holdings Limited	(848,764)	11,797
Chartway Living Limited	(12,197,348)	(464,194)
LetLife One Limited	29,239	129,037
LetLife Developments Limited	(190,096)	(68,856)
Public Sector Plc	2	-
Chartway CleanCo Limited	1	-
Chartway BidCo Limited	(3,688,372)	(3,688,373)
Chartway Group Holdings Limited	26,848,749	(2,080,556)
Chartway Group Limited	10,653,890	11,220,124
Chartway Construction Limited (formerly BBS Construction Limited)	1,076,541	(102,746)
Chartway Drylining Limited (formerly CGL Drylining Limited)	6,586,989	1,169,667
Westerhill Homes Limited	10,581,462	(155,149)
Chartway Civil Engineering Limited	6,708,476	2,650,937
Chartway Property Management Limited	1,100	-
Chartway Partnerships Limited (formerly Chartway Construction Limited)	1	-
Chartway Building Supplies Holdings Limited (formerly Swale Holdings Limited)	1,219,250	(783)
Chartway Group Properties Limited (formerly Swale Properties Limited)	219,171	72,526
Chartway Building Supplies Limited (formerly Swale Builders Supplies Limited)	3,612,074	1,055,622

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

16. Stocks

	Group 2023 £	Group 2022 £
Building materials	833,896	-
Work in progress	17,240,960	1,913,504
Land stock	19,807,828	-
	<u>37,882,684</u>	<u>1,913,504</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

17. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	10,472,057	76,516	-	-
Amounts owed by group undertakings	-	-	15,000,450	-
Amounts owed by participating interests	674,247	478,752	-	-
Other debtors	7,820,939	86,461	-	-
Called up share capital not paid	1	1	-	-
Prepayments and accrued income	2,627,154	2,402,883	-	32,911
Amounts recoverable on long-term contracts	1,816,245	-	-	-
Tax recoverable	1,033,483	-	-	-
Deferred taxation	46,478	-	8,792	-
	<u>24,490,604</u>	<u>3,044,613</u>	<u>15,009,242</u>	<u>32,911</u>

CHARTWAY PARTNERSHIPS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

18. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and In hand	9,184,041	720,162	2,941	11,934

19. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	410,000	810,394	-	-
Trade creditors	8,586,022	65,711	650	1
Amounts owed to group undertakings	46,641,466	12,670,529	161,885	119,828
Amounts owed to participating interests	143,838	514,365	-	-
Other taxation and social security	805,636	365,522	-	-
Obligations under finance lease and hire purchase contracts	309,398	-	-	-
Other creditors	5,294,698	29,725	-	-
Accruals and deferred income	12,441,943	4,006,718	4,613	3,750
	74,633,001	18,462,964	167,148	123,579

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

20. Creditors: Amounts falling due after more than one year

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Bank loans	39,067,375	-	-	-
Net obligations under finance leases and hire purchase contracts	126,887	-	-	-
Preference shares	16,135,537	-	16,135,537	-
	<u>55,329,799</u>	<u>-</u>	<u>16,135,537</u>	<u>-</u>

Bank loans

During the year, Chartway BidCo Limited was advanced a loan of £41,000,000 over a fixed term of 72 months by Pricoa Private Capital. The year-end balance in the accounts represents the total liability netted off against directly attributable arrangement fees which will be amortised over the life of the loan. The loan is secured through fixed and floating charges over the assets of the Chartway CleanCo Limited group. Interest is payable on the loan at a rate of Bank of England Base Rate + 6%.

Preference shares

Preference shares are redeemable upon an exit event by the majority shareholder or by 27 June 2032. The loan notes attract interest of 8% per annum. Interest is satisfied at the discretion of the company by either the issuance of further preference shares or paid via cash.

21. Loans

Analysis of the maturity of loans is given below:

	Group 2023 £	<i>Group 2022 £</i>
Amounts falling due within one year		
Bank loans	410,000	810,394
Amounts falling due 1-2 years		
Bank loans	410,000	-
Amounts falling due 2-5 years		
Bank loans	1,640,000	-
Amounts falling due after more than 5 years		
Bank loans	37,017,375	-
	<u>39,477,375</u>	<u>810,394</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2023 £	Group 2022 £
Within one year	309,398	-
Between 1-5 years	126,887	-
	436,285	-

Hire purchase and finance lease liabilities are secured against the underlying assets.

23. Financial instruments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Financial assets				
Financial assets measured at amortised cost	30,014,007	883,132	15,012,183	11,934
Financial liabilities measured at amortised cost	(86,555,854)	(19,498,628)	(15,166,998)	(123,579)

Financial assets measured at amortised cost comprise trade and other debtors, amounts due from group companies, and amounts recoverable under long term contracts.

Financial liabilities measured at amortised cost comprise bank and other loans, amounts owing under hire purchase, trade and other creditors, amounts owed to group companies and preference shares treated as debt.

24. Deferred taxation

Group

	2023 £
Charged to profit or loss	550,319
Arising on business combinations	(503,841)
At end of year	46,478

CHARTWAY PARTNERSHIPS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

24. Deferred taxation (continued)

Company

	2023 £
Charged to profit or loss	8,792
At end of year	8,792

	Group 2023 £	Company 2023 £
Accelerated capital allowances	(333,751)	-
Deferred tax on revaluation of tangible fixed assets	(98,205)	-
Short-term timing differences	4,109	-
Tax losses carried forward and other deductions	474,325	8,792
	46,478	8,792

25. Provisions

Group

	Defects provision £
Charged to profit or loss	(767,416)
Arising on business combinations	2,170,583
At 31 May 2023	1,403,167

The defects provision represents a provision against potential future claims for defects that the company may need to pay out for future works. The provision represents management's best estimate of the likely costs that may be incurred on past work, however the expected amount and timing of payments may differ from that recognised if actual claims are higher or lower than expected.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

26. Share capital

	2023	2022
	£	£
Allotted, called up and fully paid		
40,000 (2022 - 40,000) Ordinary A1 shares of £0.01 each	400	400
60,000 (2022 - 60,000) Ordinary A2 shares of £0.01 each	600	600
10,000 (2022 - 10,000) Ordinary B shares of £0.01 each	100	100
60,000 (2022 - Nil) Ordinary D shares of £0.01 each	600	-
	<hr/> 1,700 <hr/>	<hr/> 1,100 <hr/>

The A1 and A2 ordinary shares entitle the holders to a priority return to be received before the B and D ordinary shares are entitled to any dividends and distributions on a winding up. The A2 and B shares are not entitled to a vote of the shareholders.

60,000 Ordinary D shares were issued in the year with a par value of £0.01 for a consideration of £60,000.

27. Reserves

Profit and loss account

The profit and loss account represents cumulative profits and losses, net of dividends paid and other adjustments to date.

CHARTWAY PARTNERSHIPS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

28. Business combinations

Chartway Partnerships Group Limited indirectly owns 100% of the share capital of Chartway BidCo Limited.

Chartway BidCo Limited was incorporated on 27 May 2022. On 27 June 2022 that company acquired the entire share capital of Chartway Group Holdings Limited.

Acquisition of Chartway Group Holdings Limited

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	4,357,045	-	4,357,045
Intangible	372,901	-	372,901
	<u>4,729,946</u>	<u>-</u>	<u>4,729,946</u>
Current Assets			
Stocks	24,044,637	-	24,044,637
Debtors	25,978,274	-	25,978,274
Cash at bank and in hand	10,567,203	-	10,567,203
Total Assets	<u>65,320,060</u>	<u>-</u>	<u>65,320,060</u>
Creditors			
Due within one year	(38,041,470)	-	(38,041,470)
Due after more than one year	(9,345,784)	-	(9,345,784)
Total identifiable net assets	<u>17,932,806</u>	<u>-</u>	<u>17,932,806</u>
Goodwill			49,382,409
Total purchase consideration			<u><u>67,315,215</u></u>
Consideration			
			£
Cash			66,065,421
Directly attributable costs			1,249,794
Total purchase consideration			<u><u>67,315,215</u></u>

CHARTWAY PARTNERSHIPS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

28. Business combinations (continued)

Cash outflow on acquisition

The goodwill arising on acquisition is attributable to Chartway brand, operations and experience acquired.

The Directors considered whether there were any fair value adjustments to the assets and liabilities acquired at the date of acquisition. Potential fair value adjustments were identified in respect of land and buildings acquired. The Directors performed an assessment and concluded that the fair value of the land and buildings purchased was not materially different from book value.

The results of Chartway Group Holdings Limited since acquisition are as follows:

	Current period since acquisition £
Turnover	144,770,667
Profit for the period since acquisition	5,992,836

29. Pension commitments

The Group operates a defined contributions 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 and amounted to £444,317 (2022: £58,817).

Contributions totalling £79,492 (2022: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

30. Other financial commitments

The Company has provided a guarantee in respect of the outstanding liabilities of its subsidiary companies, Chartway Partnerships FinCo Limited (10843366) and Chartway Living Holdings Limited (06126165), in accordance with sections 479A - 479C of the Companies Act 2006, as the subsidiary companies of the Group are exempt from the requirements of the Companies Act 2006 relating to the audit of the accounts by virtue of Section 479A of this Act.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

31. Related party transactions

Exemption from disclosing transactions with other group companies has been claimed in accordance with section 33 of FRS 102, where subsidiaries are wholly owned and their results are included within the consolidated financial statements.

During the years, the company repaid all balances due to Net Zero Buildings Limited, a related party by virtue of having mutual ultimate owners and controlling parties. At 31 May 2023 the amount due to Net Zero Buildings Limited was £Nil (2022: £478,487).

During the year, Chartway Living Limited (formerly PSP Facilitating Limited) provided services to participating interests (Limited Liability Partnerships which it jointly controlled) totalling £33,763 (2022: £149,515).

During the year, Chartway Living Limited (formerly PSP Facilitating Limited) earned profit share payments from these participating interests of £347,035 (2022: £428,727).

At the year end, Chartway Living Limited (formerly PSP Facilitating Limited) owed these participating interests £72,721 (2022: £35,518) and was owed £674,246 (2022: £478,752).

32. Controlling party

The company's immediate parent undertaking is CS Capital Partners V, LP. The ultimate controlling party is considered to be John Van Deventer due to his controlling stake in the ultimate parent company, Cabot Square Partners Holding Limited.

33. Post balance sheet events.

On October 31 2023 Chartway Partnerships Finco Limited issued a further £7.5m Loan Notes to Cabot Square Capital LLP. This additional capital was provided by shareholders in order to accelerate the Group's programme of land acquisition and facilitate growth and profit delivery.

On 20 February 2024 Pricoa Private Capital approved the extension of the Revolving Credit Facility element of the loan facilities provided to Chartway Bldco Limited in June 2022. This increased the maximum to be drawn via this facility from £4m to £6m, allowing the group increased flexibility in its management of short-term working capital.